

THE TIMES

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20p

TOMORROW

Thatcher... As the Tories rally round at Blackpool, Fiona MacCarthy reviews Penny Junor's new biography of Margaret Thatcher.



...and Co Economic policy, employment, defence: the Tory timetable at the conference

Turning in The Times Profile: Radio 3

Turning out Stuart Jones and David Miller report on England's crucial European Championship match against Hungary in Budapest

Looking back 1984 and all that: a new look at Orwell's chilling words

Monetary growth on target

Monetary growth is back on target after the Government's main measure of money supply fell for the first time in four years. Sterling M3 fell half a percentage point last month. But state spending and borrowing are still well ahead of plans.

Stock exchange backs reform

Members of the Stock Exchange voted overwhelmingly in favour of a resolution which will allow lay members to sit on the Council of the Stock Exchange for the first time.

Howe happy

EEC ministers in Athens were able to agree only that reforms needed further detailed study by experts. Sir Geoffrey Howe alone detected real progress.

There's a rumour about bringing STONING back...

LAW ORDER

New Jaguar

Jaguar unveiled its first open-topped sports car since the E-type went out of production.

Airbus order

British Caledonian is the first airline to order the European Airbus A320. Three of the seven 150-seaters will be delivered in 1988.

China joins

China has been admitted to membership of the International Atomic Agency, which operates safeguards and inspections on civil nuclear reactors.

Carson banned

Willie Carson, the former champion jockey, was suspended for 12 days by the Jockey Club for careless riding at Beverley last month.

Leader page 15
Letters: On Mr Parkinson, from Mr A B Ducker, and others; Government's record, from Mr Bryan Gould, MP
Leading articles: Law and order; Tories and defence; South Korea
Features, pages 10-12
James Prior defends his role as government gadfly; Bernard Levin on a theatre of the absurd; the British Library white elephant. Spectrum watches this space; Wednesday Page meets a top Tory woman
Australia: a four-page Special Report on the performance of the new Labour government under Bob Hawke 17-20

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Police killers will serve at least 20 years - Brittan

- Minimum 20-year sentences are to be imposed on certain killers under proposals announced by Mr Leon Brittan, the Home Secretary.
- Mr Peter Walker, the Secretary of State for Energy, has reaffirmed the Government's commitment to coal mining and disputed claims that it wants to destroy the industry.
- Miss Sara Keays, who is expecting Mr Cecil Parkinson's baby, narrowly missed becoming the Conservative candidate at the Southwark, Bermondsey by-election.
- Conservatives remain divided over whether Mr Parkinson should resign. He was praised for his election work and condemned as a "self-confessed adulterer".
- The Government is considering giving tenants of charities the right to buy their homes, Mr Ian Gow, Minister for Housing, announced.
- No workable alternative system of loyal taxation has emerged to replace rates, Mr Patrick Jenkin, Secretary of State for the Environment, said.

From Anthony Bevis, Political Correspondent, Blackpool

Mr Leon Brittan, the Home Secretary, presented the Conservative Party Conference at Blackpool yesterday with measures that will ensure that about five hundred hard-core killers and violent offenders will spend extended terms in prison.

But, in a highly delicate political operation, delivered before a notoriously hardline audience, Mr Brittan managed to temper his toughness with more than a touch of mercy for non-violent offenders. That mercy could lead eventually to an overall reduction of 2,000 in the prison population, which is now 44,165.

It was a measure of the Home Secretary's skill that by last night he had won the endorsement of right-wing Tory backbenchers and of Mr Robert Kilroy-Silk, the Labour chairman of the all-party Parliamentary Penal Affairs Group.

Mr Brittan failed to win a standing ovation, but the applause was adequate vindication of his balancing act. Representatives appeared willing to suspend judgment despite their undoubted frustration at Parliament's failure to reintroduce capital punishment.

Union steps up fight against Telecom

Further disruptive action affecting government and business communications will be taken by the Post Office Engineering Union (POEU) this week as part of their fight against the privatization of British Telecom (BT).

Leaders of the union were last night called to a meeting with Sir George Jefferson, chairman of BT to discuss deteriorating industrial relations.

By yesterday between 2,000 and 2,500 members of the union were in dispute with BT. Around 1,600 have been involved in action in international telephone exchanges. The rest have been taking action against Mercury, the private communications network.

Details of the new disruptive action were being kept secret by the executive of POEU, but international satellite links and select operations are known to be prime targets. City installations who may be involved in the intended flotation of BT can expect to be singled out.

British Telecom reported yesterday that international telephone exchanges were back to normal with the help of senior management. But the union contended that there was widespread disruption affecting the Middle and Far East and Africa. The situation was deteriorating, POEU said.

The 1600 engineers in international exchanges were sent home at the end of last week after working to rule since the previous Monday. This Monday many of them refused to sign a document pledging that they would obey management instructions and were then suspended.

The rest of the trade unions in dispute work mainly in the three London inland exchanges. Some of these have been sent home for refusing to connect the BT network to Mercury. Others were deemed to be taking industrial action by management for refusing to sign the document.

Hold centre ground, Walker tells Tories

Mr Peter Walker gave a warning yesterday that the Conservative Party must retain its position in the centre ground of politics or risk losing the next general election.

In a plea to the Government to present a more caring public image, Mr Walker made a powerful restatement of the traditional Conservative "one nation" values, told the party to apply them to the 1980s and highlighted the divisions in society.

The Conservative Party must be the party of national unity or it is nothing", Mr Walker, Secretary of State for Energy, told a Tory Reform Group fringe meeting at the party conference in Blackpool.

The speech was the first of a series by leading "wets" this week urging the Government to emphasize its concerns for the poor, needy, homeless, and other disadvantaged groups, and to come to terms with the public expenditure implications of the increasing number of people receiving state benefits.

It reflects concern among many Tory MPs over the Government's handling of the recently announced health service manpower cuts and the fear that its public face may be hardening. Today, Sir Ian Gilmour, the former Cabinet minister, will continue on the same line when he speaks on the theme "Is Toryism Dead?" to another fringe meeting.

Mr Walker said Labour was bound to become a more effective opponent than it was

Packing up troubles in a Marine's kitbag

From Rodney Cowton, Defence Correspondent, Saros Bay, Turkey

Many Royal Marines on a Nato exercise in Turkey are carrying up to £150 worth of their own equipment because they say their standard issue kit is unsatisfactory.

Several complained of a combat boot first issued last year, which they claim falls apart after a few months. That was demonstrated yesterday by a member of 40 Commando, who lay in a Turkish field and put a knife between the sole and upper.

The Marines are taking part in an exercise called "Display Determination" and are advancing inland after an amphibious landing with Turkish forces on the northern shores of Saros Bay, within sight of the Gallipoli peninsula.

Apart from concerns with their boots, several have bought their own rucksacks for about £80 because they say the standard issue bag is too small and uncomfortable.

Other complaints concern the solid fuel stove, which they say is smoky and smelly, and waterproof equipment. Some have bought camping gas stoves for £15 and waterproof jackets for £40. With other privately-bought equipment such as mess tins and socks, the outlay can total £150.

Some even spend a further £50 special underwear when operating in Arctic conditions.

But the boot is the really painful story for the Marines. They claim that although 17,000 pairs were rejected last year because of manufacturing defects, the new ones still fall apart.

A Royal Marine spokesman in Britain admitted there were some drawbacks in equipment, but added: "In general our total package is better than most armies. In 14 years' service I have never had to buy any equipment."

He said one of the problems was that they had to compromise because they could not use Arctic equipment in the Mediterranean and vice versa. He added that a new rucksack could be separated to enable a man to change rapidly into fighting order was to be issued soon.



Mr Brittan announcing his measures at Blackpool (Photograph: Brian Harris)

Miss Keays 'nearly the Bermondsey candidate'

By Richard Dowden

Miss Sara Keays, Mr Cecil Parkinson's former secretary who is expecting his child in January, narrowly missed becoming the Conservative parliamentary candidate in last February's by-election in Southwark, Bermondsey, after the local party executive was persuaded to reopen the selection process.

Miss Keays had lost the nomination by one vote to Mr Peter Davis. A week after that selection conference, Mr Robert Mottish, the Labour MP, resigned and forced a by-election. Mr Davis decided that business commitments prevented him from fighting the by-election and resigned.

Some members of the local party executive, some sources say a majority, wanted Miss Keays to assume the candidature. However, at a meeting of the nine members of the executive on November 2, attended by the party agent, Miss Rose Freeman, and an official from a Conservative Central Office, it was decided to go through a full selection process.

A short list was drawn up with three names: Mr John Maples, Mr Tony Patterson and Mr Robert Hughes. Mr Hughes, the eventual candidate, had been asked to put his name forward by Mr Ian MacLeod, the area party chairman. Miss Keays's name was not on that initial list but was added to it after the party had interviewed between 30 and 40 potential candidates.

Miss Betty North, chairman of the Southwark and Bermondsey Constituency Conservative Association, said yesterday that she could not remember whether the representative from Central Office had argued in favour of reopening selection or simply adopting Miss Keays.

Among the reasons given by local party members for Miss Keays's failure to secure the nomination are that they did not want a woman to stand against Mr Peter Tatchell, the Labour candidate; that she did not know enough about inner cities; that she was using the candidature to gain experience and that she intended to move on.

However, her supporters felt that she was the local candidate of a constituency party that was strongly independent and this should have earned her the nomination.

Mr MacLeod, London area chairman, stressed the need for a strong candidate in urging Mr Hughes to run. He pointed out that the Conservative party had had two bad by-election results, at Crosby and in Peckham, where weak candidates were thought to have played a part.

Mr Ian MacLeod, chairman of the Greater London Area Conservatives, said in Blackpool last night: "At no time did the local party receive instructions from me that anything other than the proper procedures for reselection should take place."

"There was no question of any second-placed person, whoever that might be, being offered the chance."

"In accordance with National Union model rules a complete reselection would be necessary. Constituency parties jealously guard their autonomy. It is common knowledge that any 'direction' from Central Office is tantamount to a kiss of death."

● The continuing division of opinion within the Conservative Party as to whether Mr Cecil Parkinson should stay in office or resign was painfully exposed yesterday (Julian Haviland, Our Political Editor, writes).

His achievements as chairman were warmly applauded by most representatives on the

Police kill Korean in Burma

Rangoon (Reuters) - Burmese police claimed to have killed one Korean terrorist, captured another and to be seeking a third, after the bomb blast here in which 20 people died.

A government announcement last night gave no details of the Koreans, and did not say whether they came from North or South Korea.

The captured Korean was seriously wounded when a grenade he tried to throw at his pursuers exploded at Pazundaung Creek in eastern Rangoon on Monday night. The alarm had been raised by local residents, who reported seeing a man swimming down the creek.

A second incident occurred when villages in Thakutpin, six miles north-west of Rangoon, informed police about two suspicious-looking foreigners. The two men were arrested but one of them managed to throw a grenade which wounded three policemen. Police shot and killed him, but the other Korean escaped.

Ulster yard seeks 'lost' £4m contract

From Our Correspondent Belfast

Harland & Wolff, the Belfast shipbuilders, are likely to make a bid today to take over the £4m share of a Ministry of Defence order for the Falkland Islands which Sunderland Shipbuilders, the Weirside subsidiary of British Shipbuilders has surrendered because of a three-week unofficial strike.

Only last week H & W announced that they had a separate share of the project to build a floating harbour for Port Stanley. The entire "flexiport" is due for delivery in only 14 weeks.

Yesterday, Harland & Wolff chairman Mr John Parker said: "We have already been asked whether we could take on Sunderland Shipbuilders' share. Clearly, it is something we will have to decide within 24 hours. My main concern is whether we could complete it within 14 weeks without prejudicing work on the part of the project we already have."

"Public memories are short and if we missed the delivery date people would not recall that it was because Sunderland Shipbuilders had a strike, it would simply be noted as Harland & Wolff falling down", said Mr Parker.

He said he was to spend the afternoon seeing whether a local Northern Ireland consortium could be put together.

● Jobs at the Pallion yard in Sunderland are certain to be lost when the strike ends. Mr Eric Welsh, the managing director of the company, said yesterday.

Three initiatives by the Confederation of Shipbuilding & Engineering Unions to end the deadlock have failed and the 2,000 strikers, angry about a productivity payment made to 40 crane drivers at the yard, have ignored pleas to return to work.

Martin jailed for 25 years

David Martin, who spent nearly three months on the run after wounding a policeman, was jailed for 25 years yesterday.

At the Central Criminal Court Mr Justice Kilner-Brown told him: "Those who carry loaded guns in order to shoot their way out of impending arrest or with that intention must expect very severe sentences indeed and that is what you are going to get."

The jury of seven men and five women, after 11 hours of deliberation, had found Martin guilty on four charges and acquitted him on the remaining 10.

The judge gave him a 15-year sentence for causing grievous bodily harm to police constable Nicholas Carr with intent to resist arrest on August 5 last year; and 10 years for having two firearms with intent to resist arrest on September 15, 1982. He directed that those sentences should run consecutively.

Martin, aged 36, of Crawford Place, Marylebone, London, was also given 10 years for the theft of £25,000 from a security van in London's Cannon Street on July 29 last year, and five years for burglary at offices in Bonhill Street, City of London, between January 18 and 25 this year - both sentences to run concurrently.

Earlier, in the 15-day trial a charge of attempting to murder PC Carr was dropped on the judge's direction. He described as callous Martin's threat to put a second bullet into the officer.

Martin showed no emotion as the verdicts and sentences were announced.

A skilled burglar, who admitted to the jury that he often dressed as a woman, Martin intended never to be returned to jail where he has already spent a quarter of his life. He said he was prepared to do anything - even shoot himself - to avoid arrest.

When finally tracked down in a London underground tunnel on January 28 this year, he surrendered in a "suicide walk" defiantly refusing to raise his arms in the air as instructed by armed police officers.

Mr Lawrence, QC, defending, said Martin tended towards suicide, partly because of his obsession with his girlfriend and partly because he could not stand the thought of another long term in prison.

After the case, Martin's father, Mr Ralph Martin, said outside the court: "If I had a gun I'd go and shoot the judge myself". He said the sentences were "ridiculous".

Mr Martin had sat in the public gallery throughout the trial and when the sentences were passed today he leapt to his feet, apparently trying to snatch a glimpse of his son before he was led away. He was told by a policeman to sit down.

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Contempt for authority led David Martin to 25-year jail sentence

By John Witherow

When David Martin was in prison, one story relates, the guards would regularly find his cell door open in the morning with Martin lying on his bunk, gazing at the ceiling and whistling nonchalantly.

The story illustrates two important influences in Martin's life that led him to notoriety and yesterday's prison sentence of 25 years: a remarkable ability with locks and an overriding contempt for authority.

The first facilitated a life of crime and the second, when coupled with a fascination with guns, turned him from a fleeting period into Britain's most wanted man.

But Martin's sudden elevation to the front pages came not as a result of his shooting of Police Constable Nicholas Carr on his daring escape from Marylebone Magistrates' Court, but because another man, Stephen Waldorf, was mistakenly shot by police instead of him.

It was that shooting, and the impending trial of two policemen, which cast a shadow over the trial of Martin and focused attention on a man who would normally get only a few column inches.

Everyone who knows Martin agrees that he is a strange, complicated personality. The police, used to dealing with "ordinary villains", were perplexed by his self-confessed transgressive nature.

They also found it hard to understand his total disregard for his own safety. One policeman said: "I couldn't relate to him. He's a cold guy, very calculating. He's different; intriguing even."

An acquaintance, asked what pushed Martin into crime, replied: "He's got a grudge against society and he vents it by breaking laws."

That grudge, which came through in his resentment and sarcasm, which seems from Martin's personality and his deep grievance over an eight-year prison sentence he received for forgery and fraud.

According to the acquaintance, his attitude then became: "If they give me that sort of sentence for a trifle, I'll behave like a real criminal."

While he was inside he never accepted the prison regime and in 1974 took part in a mass escape from Brixton but he was recaptured in a taxi in Streatham. He received an extra 12 months and went on to serve a total of nine years, earning no remission.

While in prison he made 10 moves, and spent much of his time in top-security jails including Parkhurst in the Isle of Wight. Prison undoubtedly made a strong impact on Martin and in the opinion of the prosecution, may have made him prepared to use any means, including guns, to prevent his arrest and further confinement.

Before that Martin had drifted into petty crime, gradually getting convicted for more serious offences. The only child of a close family in north London, where his father was a plumber and fitter, Martin was caught stealing petrol and a motor cycle when he was 15.

Two years later he spent three months in a detention centre for punching a policeman during a fight outside a club. At school he passed O levels in physics, metalwork and technical drawing and worked later as a motor mechanic.

In 1969 he was sentenced to 21 months for fraud and handling stolen goods, and in 1973 he was sentenced to eight years. Martin emerged in September, 1981, and within months was again drawn to crime, but this time he started handling guns.

He used his ability with locks to break into several premises and became involved in video piracy. Then a friend suggested, according to Martin, that he take part in a cash snatch from a security van. It was soon after that raid, in which Martin said he did not know his accomplice had guns, that he shot PC Carr during a struggle.

Before the shooting Martin gave the police the name of David Demain, a pseudonym that he often used. In retrospect, as Martin pointed out in the box, it seemed surprising that the police took another six weeks to trace him to his flat in Crawford Place, just off the Edgware Road in west London. He said his driving licence was registered in the name of Demain but apparently no check was made.

When Martin was challenged outside his flat he drew two handguns and was shot in the neck by police. Despite his wound he continued fighting - hoping to be "finished off", he told the court.

Martin's apparent death wish was a constant theme in the trial. He told the jury he had considered jumping in front of a Tube train during the chase before his second arrest and had hidden a knife in his mouth with the intention of cutting his throat.

The prosecution tried to depict him as a highly intelligent and dangerous criminal, but that view was disputed by a friend who said that Martin was never a killer, just someone who liked to convince people he was ruthless.

"He simply doesn't care", he added. "David is resigned to going back to prison." The difference this time, though, is that Martin is reputed to have told his guards that he will not remain locked up for long.



Rich pickings: The first bins of grapes at Waldron Vineyards, Heathfield, East Sussex, showing the rare but sought after noble rot, promise a bumper harvest of fine quality. Mrs Gay Biddlecombe right, a cofounder of the business, says. She is being helped by Miss Debbie Pennington, left. (Photograph: Harry Kerr)

Plan to cut Crown Court delays

By Peter Evans
Home Affairs Correspondent

A "profound change" in the way criminals are handled is to be tried out in six Crown Court centres.

New procedures, being introduced for a six-month experiment starting on November 1, are intended to cut delays by exchanging more information between prosecution and defence.

The Lord Chief Justice, Lord Lane, launching the pilot project, says: "The scheme should stimulate people to prepare cases as soon after committal as possible, so that the plea may be discovered and the real issues which will concern the jury may be identified."

Lord Justice Watkins, whose working party on the criminal trial produced the proposals, says that in the first eight months of this year, compared with a similar period in 1982, the number of cases committed to the Crown Court increased from 42,890 to 47,168, enough extra work to keep a court occupied for 27 years.

The working party's report says the parties already give the court some information for listing purposes. "We have adapted and expanded the present Crown Court listing information form so as to include a wider range of information."

One form to be filled in by the defendant's solicitor is intended to inform everyone as early as possible whether a case will be fought.

Defence counsel will fill in a second form requiring a commitment to a plea of guilty or not guilty in advance of the trial.

A third form not intended for use in all cases, will be issued on the instruction of the judges at a Crown Court centre and filled in by counsel.

The pilot project will take place at the following Crown Court centres: Central Criminal Court, Acton, Bristol, Carlisle, Chester and Warwick.

Overcharging lawyer not guilty of fraud

Mr Glanville Davies, a solicitor who overcharged a client by £131,000 was not guilty of deliberate fraud, a High Court judge said yesterday.

The Welsh solicitor, a former member of the Council of the Law Society, had sent his client, Leslie Parsons, a bill for £198,000. That was later reduced to £67,000 by the High Court costing official.

Now Mr Parsons is asking Mr Justice Vinelott to order that Mr Davies be struck off.

Mr Davies's counsel, Mr Michael Turner, QC, said yesterday that although Mr Davies was not resisting the striking-off move - which he did not consent but accepted as inevitable - his admission related only to negligence over the costs bill.

The judge said that although Mr Davies had admitted that his conduct in submitting the bill amounted to gross and persistent professional misconduct, there was no suggestion that he was guilty of deliberate fraud.

Mr Parsons, aged 69, of Green Trees, Lon Hir, Carmarthen, is also seeking to recover from Mr Davies, a solicitor for 38 years, of Queen Victoria Road, Llanelli, Dyfed, the "substantial" costs of his case against him.

The hearing continues today.

TV satellite set for weekend debut

By Bill Johnston, Electronics Correspondent

The first satellite available to beam commercial television pictures into Britain and most of western Europe is expected to become fully operational on Saturday.

The European Communication Satellite (ECS1), was launched successfully in June from Kourou, in French Guiana by the Ariane rocket of the European Space Agency. Two of its channels have been allocated to Britain: Satellite Television, which is 65 per cent owned by News International, has one; a customer for the other is being selected.

Three days later - on October 18 - the Ariane rocket, again launched from French Guiana, will carry its first Intelsat satellite. The other recent launches of the satellites in this global communications network have been provided by the American Delta Centaur rocket.

The Intelsat V is to be the latest in a network of satellites, now numbering 17, in apparently static "geostationary" orbits 22,300 miles above the Atlantic, Pacific and Indian oceans, carrying over 60 per cent of international telecommunications traffic.

The European satellite (ECS1) will not carry television pictures until the end of the year.

Mothers 'want more advice on birth'

By Diane Gackert

More than a third of new mothers are dissatisfied with their labour and delivery according to a birth survey.

Fewer than half of the 7,500 women surveyed felt they could ask doctors all the questions they wanted, and one in ten felt she could ask hardly any questions at all, *Parents* magazine reported yesterday.

The survey welcomed improvements in medical care and consultation. More than 80 per cent of fathers were present at the birth, compared with 72 per cent in 1981, when the magazine conducted its last survey. Most of those who were absent were at home taking care of older children.

But mothers felt a lack of essential advice. "Having a baby in Britain today can be a wonderful or a disappointing experience", the magazine said. "In general, mothers wanted more information, more choice

Firm halves price of video film

By Christopher Warman
Arts Correspondent

A leading video company is to reduce the price of a recent box office hit film on video cassette by about half in an attempt to encourage people to buy rather than rent video films.

CIC Video, owned by Paramount and Universal Films, is to offer Steven Spielberg's *Raiders of the Lost Ark* at £19.99 or less compared with a price of up to £45, when it goes on sale before Christmas.

At present the video market is almost exclusively rental, and cut-throat competition among high street traders has meant "unrealistically low" rental charges, according to Mr Laurie Hall, managing director of CIC Video. Charges on average are down to £1.50 to £2, and in some cases as low as 50p to 75p for a night's rental.

The survey also revealed variations between regions. For example, ante-natal clinics in Scotland and the South-west had the shortest waiting times, and there was more choice of hospitals in London.

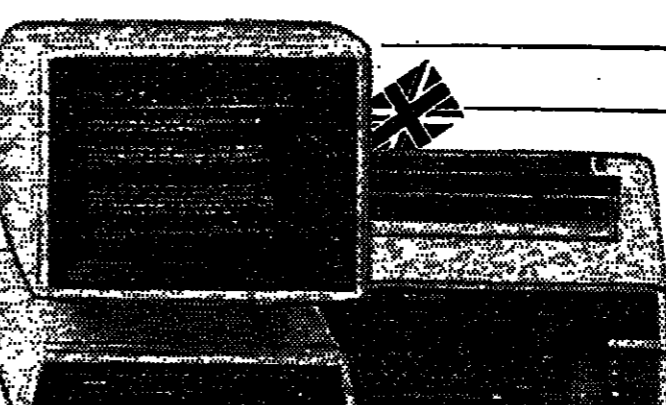
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Vets 'shut eyes' on herpes

By Thomson Practice

Fundamental sterilization procedures were not taken at a Newmarket veterinary surgery leading to the spread of a herpes virus which caused the death of nine horses, it was claimed in the High Court in London, yesterday.

The allegation was made by Mr Edward Cazelet, QC, representing Mrs Merrion Meade, and her daughter, the owners of the Ballintober Stud at Carlton, Newmarket, who are claiming damages of around £100,000 from the practice of Day and Partners, the longest-established veterinary practice in Newmarket.

Mr Cazelet said: "There were oral admissions later by members of the practice accepting that the disease was contracted as a result of contact with an infected animal at the surgery. But until then the defendants were 'shutting their eyes' to reality and hoping against hope that all this would be swept under the carpet."

Mrs Meade and her daughter, Miss Breezy Meade claim that as a result of veterinary negligence some of their horses contracted a form of equine herpes known as EHV1 which attacks the central nervous system. They are claiming compensation for three of nine horses which have died since the outbreak of the virus in 1979.

It is alleged that members of the practice were negligent in allowing a horse with symptoms of the virus to come into contact with horses from the Meade's stud at their surgery, and then allowing those animals to return to spread the infection among others at the stud.

Yesterday, Mr Cazelet said that one of the Meades mares, Tiny Alice, was placed in a box next to a horse from another stud which was later found to be the source of the virus. No preventative steps were taken and Tiny Alice was allowed to return to stud.

Miss Meade, aged 35, was the first witness called yesterday. She read extracts from her diary recording the deteriorating condition of Tiny Alice in the week after the mare was returned from the surgery in Newmarket.

The case continues today.

Jaguar unveils open-top

Jaguar Cars today launches its first open-top sports car since the famous E-type went out of production nine years ago. The XJ-S 3.6 litre Cabriolet is powered by a remarkable new all-alloy engine which is at the heart of Jaguar's new model strategy for the next decade. (Clifford Webb, Our Motoring Correspondent, writes).



The new Jaguar 3.6 litre Cabriolet

With twin overhead camshafts operating four valves per cylinder, the six-cylinder AJ6 engine is based on Grand Prix practice. It is only the third new Jaguar engine in more than 30 years, develops 225bhp compared with 205bhp for the present XK 4.2 litre unit and is 30 per cent lighter. In the Cabriolet, it has a maximum speed of 142mph, and a 0-60mph time of 7.6 seconds.

The biggest advance, however, is in fuel economy. The new engine will return a comfortable 25mpg compared with 18 for the existing engine. It was to achieve that, more than anything else, that Jaguar

spent £30m to install a new, highly automated production line with a weekly capacity of more than 1,000 engines, at its works in Radford, Coventry.

That is double the existing capacity and will not be operating at full stretch until the appearance of the new XJ 40 saloon which, originally planned for launch next year, is being held back because of the continuing demand for present models.

The Cabriolet is based on the existing XJ-S 3.3 litre 12-cylinder sports coupé. The body, without roof and rear panels, is completed at Jaguar's Castle Bromwich plant and shipped to

the Park Sheet Metal Company in Coventry for conversion into a cabriolet with twin roll bars.

A novel solution for the old problem of stealing from open topped cars is the use of large twin lockable storage bins behind the front seats.

The Cabriolet costs £20,756, but a fully enclosed version of the XJ-S with the new smaller engine instead of the existing 12-cylinder unit is available for £596 less. Both are fitted as standard with the German made Getrag five-speed manual gearbox. Automatic versions are expected later.

Killers' escapes upset moves towards open prison policy

By Peter Evans, Home Affairs Correspondent

Government moves to put into open prisons more inmates serving long sentences, including life, received a setback yesterday as three murderers escaped from Leyhill Open Prison, near Bristol.

Although they were recaptured within hours, the escapes came as plans for holding long-term prisoners were being reviewed along with a rash of escapes from prisons which are described as serious by the Prison Department.

Prison Service News, published by the department, said yesterday: "Where appropriate, local authority agreements which governed the type of inmate who could be sent to a particular open establishment are being renegotiated."

Lord Elton, Under Secretary of State at the Home Office, has told local MPs about moves to lift curbs on three open prisons. As well as Leicester, Ford in West Sussex, and Kirkham, Lancashire. For prisoners coming to the end of long sentences, including lifers, a period in open conditions was an essential prelude to their eventual release, he said. The three who absconded from Leyhill were serving life.

The Prison Department's recent annual report showed that 131 lifers were being held in open prisons. Last year there was a sharp rise in the number of prisoners absconding from open jails.

While escapes from all establishments rose from 461 the previous year to 555 in

1982, those from open prisons increased from 380 to 438.

Mr William Brister, deputy director-general of the Prison Service, is quoted in Prison Service News as saying there has been an alarming increase nationally in the number of escapes by prisoners under escort. In the first four months of the year, 30 prisoners escaped in 25 separate incidents. Although 18 were recaptured within 24 hours "this does not detract from the seriousness of these breaches of security", he says.

The lifers who escaped from Leyhill yesterday were recaptured when a prison officer on his way from work saw three inmates in prison uniform crossing a field near the A38 near Newport Towers, north of Bristol.

A police hunt was launched and within a short time two of the prisoners were caught. The third gave himself up after a team from Avon and Somerset Police Force and Gloucestershire Police had been searching for a further hour.

Police named him as Malcolm Green, aged 36, from Cardiff. He surrendered to a police dog handler, Police Constable Michael Whiting as he searched a country lane near the Mitchellwood service area on the M5 motorway, about four miles from Leyhill.

The others, David Phillips, aged 32, and Anthony Hewitson, aged 29, and Green, are likely to be moved to secure prisons.



UK mends fences in Malaysia

Singapore (Reuter) - Lord Jellicoe, chairman of the British Overseas Trade Board, said here before flying home last night that Malaysia had dropped its "Buy British Last" policy, but there was still room for improvement in relations between the two countries.

He was speaking to the British Business Association, before leaving for home after leading a trade delegation to Malaysia.

"I can say the 'Buy British Last' policy appears to have become a thing of history. But I can't say Malaysian-British relations are entirely out of the woods".

The 10-member Jellicoe mission was the first big British trade delegation to visit Malaysia for more than a year, after Malaysia imposed a restrictive trade policy against British goods.

Malaysia eased its restrictions after the Prime Minister, Datuk Seri Dr Mahathir Mohamad, met Mrs Margaret Thatcher in London in March.

KUALA LUMPUR, British investors and traders have been redoubling efforts to regain lost goodwill (M. G. G. Pillai writes). But they are finding it hard going, as Lord Jellicoe's delegation discovered during its week-long visit to Malaysia.

In a series of meetings with interested Malaysians, Lord Jellicoe spoke like a born-again convert, asking his listeners to give Britain a second chance to help Malaysia. Curiously, the official radio and television network gave him more coverage than a visit of this nature would normally have received while the newspapers barely reported it.

However, talks with the Prime Minister and other ministers went off happily. Lord Jellicoe knows well both Dr Mahathir and Datuk Musa Hitam, the deputy Prime Minister.

Liberals in turmoil as White turns on Gray

From Our Correspondent Melbourne

The decision by Mr Robin Gray, the Liberal Premier of Tasmania, to campaign for Mr Joh Bjelke-Peterson, the National Party Premier of Queensland, has caused a storm in the Liberal Party.

Mr David Rowell, president of the Liberals Tasmanian branch, said he had been placed in an embarrassing position after advising Mr Gray not to visit Queensland. He said that the political dangers of such a visit would have to be faced by Mr Gray, alone.

Mr Rowell said that Tasmanian Liberals would be disappointed by Mr Gray's decision. "I have given my commitment to the Queensland Liberal Party, through their president, Dr Herron, and Mr White, that we will offer them any help."

Mr Gray's decision is particularly unfortunate because the state election, to be held on October 22, was precipitated by a split in the National-Liberal Party coalition government caused by Mr Bjelke-Peterson's refusal to allow Mr Terry White, the new Liberal Party leader, to serve in the Queensland Government.

Yesterday Mr White said that Mr Gray was the "bad apple at the bottom of the political barrel." He said Mr Gray was not welcome in Queensland and that he would refuse to meet him.

Aborigines threaten police with death song

From Tony Dubouin Melbourne

Aborigines in the West Australian town of Roebourne say they will use traditional methods to punish a local policeman who, they say, was responsible for the death of an Aboriginal youth in police custody more than a week ago. They say they will "sing" him to death.

The ceremony, equivalent to an execution is carried out only rarely. Anthropologists have documented many Aboriginal deaths after such ceremonies.

Mr Mick Lee, the stepfather of the boy, said that the local Aborigines would probably go ahead with the singing ceremony if no one was punished by white man's law.

"That is what the people are talking about, they are very angry," he said. "When someone is killed, someone must die. This is our law, Aboriginal law. When someone is sung to death by Aboriginal lawmen, he dies in two days. Black or white, all the same."

Mr Lee is one of the senior Aboriginal lawmen in Roebourne, 900 miles north-east of Perth. He is responsible for initiating young men into Aboriginal spiritual life.

The dead youth, John Pat, aged 17, had begun the long process of education in Aboriginal law last year, Mr Lee said. "I took him into the law myself."

Streamlining the cities: 3

Managing London after the GLC

The Greater London Council has two faces. One, that of Mr Kenneth Livingstone and the politicians, will disappear in April 1985. But what will become of the other, benign face of the GLC: the blue plaques, Waterloo Bridge, Golders Hill Park, the Festival Hall? In the third of a series on the consequences of abolition David Walker, Local Government Correspondent, looks at the special arrangements that the Government will have to make for the capital.

This year the Greater London Council is spending £56 more than the Government says it should on each of its 6.7 million inhabitants; its budget is 50 per cent in excess of the target level. Those figures give some idea of the dimensions of the exercise in cutting public spending that has just begun. It may be called reorganization but in effect it is a process (the Government hopes) for taking nearly £300m out of the GLC's hands.

Similarly, huge savings are expected from the Inner London Education Authority, which is to be reconstituted in 1986 as a joint committee of councillors. It will inevitably be Labour-controlled, but the Government will be in charge of its budget and will be looking for savings of £143 per head from the inner area's 2.3 million people, which translates into a budget cut of £100m at present prices.

Government's policy is that closing County Hall and forcing Mr Livingstone to find another living will save upwards of £400m a year. What the White Paper published last week leaves unclear is how much the boroughs will have to spend to continue providing the many GLC services the public is likely to want retained.

Victoria Park in east London will pass its organization to the City of London. The Highgate or some joint committee will be set up which may be its high-rise towers, beds and leaders. Both Labour-controlled, are candidates for the other arm of the Government's policy: pinprick rate-capping. With rates capped they are likely to have higher priorities for their spending than water fowl.

Perhaps the most dramatic financial changes are faced by ILEA. At a press conference last week Mrs Frances Mortell, its pugnacious leader, said it had been under attack for five years but an alliance of parents and teachers had fended off opponents. Such confidence is unlikely to hold.

Mrs Mortell says that ILEA's very favourable pupil-teacher ratio, its high costs for non-teaching staff, its subsidies for school meals, are all justified by the social needs of the inhabitants of Hackney, Southwark and other poorer areas.

Critics of the authority acknowledge the poverty and disadvantages of inner London but question whether this justifies, for example, spending £300 per secondary pupil per year more than Newton, which is also poor, or spending £100 per head of population more per year than Manchester.

The civil servants who will take over ILEA's budget from 1985 will have the task of chipping away the residue of many years of County Hall's generosity. Mrs Mortell and her educational allies are unlikely to be dispossessed without at least a noisy struggle.

The gamble inherent in the

Tomorrow: The Birmingham solution

Mrs Mortell: Pugnacious leader.

Tomorrow: The Birmingham solution

BBC buys four studios at Elstree for £7m

By Kenneth Gosling

The BBC has bought four television studios at Elstree for between £7m and £7.5m. The deal, described as "a good long-term investment", also gives the BBC 65,000sq ft of office space and will enable it to move staff from a number of London locations.

At present prices each of the four studios would cost about £4m; one of the first projects to take place at Elstree will be a new twice-weekly drama series for BBC1.

The Elstree site is larger than that at the Television Centre at Sheppards Bush in London, and will enable the corporation to move from high-priced short-lease premises in central London. There are eight studios at the Television Centre and the new accommodation will provide much needed rehearsal and training facilities.

The deal is with Bentay Investments Ltd, the property company belonging to Associated Communications Corporation.

Calvi inquiries to continue, City police say

By John Withrow

Inquiries into the death of Signor Roberto Calvi, the Italian banker, will continue, a senior police officer has said after returning from Italy where he questioned a close business associate of the man known as "God's banker".

Chief Supt Barry Tarbum, of the City police, said that he and two colleagues had spent a total of 24 hours questioning Signor Flavio Carboni about the death of Signor Calvi, who was found hanging from scaffolding under Blackfriars Bridge last year.

Signor Carboni, aged 51, a flamboyant Sardinian business associate of Signor Calvi who was with him in London when he died, was "very frank and never declined to answer anything", Mr Tarbum said.

Mr Tarbum said they had no new lead but the interviews had cleared up certain doubts. He added that a conclusion that Signor Calvi committed suicide was still "very much a possibility".

The alternatives to Stansted could prove very costly.



The why, when and whereabouts of London's third airport have been circling around for more than 20 years.

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With over 40 million passengers last year, a figure that's expected to double over the next decade, there's now an urgent need for airport development.

At the recent public inquiry, the forecasts supported an expansion of capacity in the South East. Even assuming the maximum growth for regional airports.

The air traveller will expect expansion at London too. Apart from the obvious attractions of our capital city, it offers more flights to more international destinations than anywhere else.

And if we can't cope with future demand, airline passengers will opt for our competitors across the Channel.

To hold our position on top of the world, we must develop our airport system around London.

And the logical location for this development is Stansted. An airport already operating successfully. An airport with rail services nearby and with London just a short trip down the M11.

But, while waiting for the green light at Stansted, we've still been moving forward.

At Heathrow we are spending £200 million on the construction of Terminal 4. It is due to open, on schedule, in 1985.

At Gatwick we've just completed a £24 million satellite terminal. And work has begun on a second main terminal costing a further £200 million.

When the above projects are complete, all feasible developments will be at an end.

There is talk of building a fifth terminal on the sewage works west of Heathrow.

But this scheme could never be ready in time to meet the expected number of passengers.

It would cost £100 million more than developing Stansted.

And, in any case, it would exceed the government limit on air-traffic movements at Heathrow which comes into force in 1985.

At the British Airports Authority we think the question has been up in the air long enough.

To ensure that foreign currency continues to land in London, we must come down in favour of Stansted.



The British Airports Authority, a profitable public enterprise, owns and manages Heathrow, Gatwick, Stansted, Glasgow, Edinburgh, Prestwick and Aberdeen airports.

Andropov gives up hope of winning deal on missiles in Geneva

From Richard Owen, Moscow

President Andropov has given up hope of an agreement at the Geneva talks on medium-range missiles and is counting on a "hot summit" of anti-missile protests in Europe to prevent Nato deployments, diplomats here believe.

The main target of an eleven-hour Soviet propaganda campaign is West Germany, where a senior Soviet delegation led by Mr Leonid Zamyatin, the head of the Soviet-Communist Party's international information department, has been putting the Soviet case this week, warning Bonn not to accept new Nato missiles on its soil.

The delegation crossed the path of a West German Bundestag team on its way to Moscow for talks.

In its latest broadcast *Pravda* yesterday said the stationing of Pershing 2 and cruise missiles in West Germany in December would breach Soviet-German treaties signed in the 1970s which included undertakings by Bonn not to use force or prepare to launch a war from West German soil.

Until the airliner crisis a month and a half ago, Mr Andropov often referred nostalgically to the détente of the 1970s, and appeared to be laying the groundwork for a last minute compromise at Geneva. In the aftermath of the tragedy

the Soviet leader kept a low profile for a month before deciding to reinforce the hard-line rhetoric of Russia's military spokesmen rather than try to salvage the moves towards an arms agreement.

He described President Reagan's new proposals at Geneva as "dishonest, shortsighted and suicidal" and said any illusions that Reagan's Administration policies might "evolve for the better" had been finally dispelled.

Mr Andropov is expected to maintain his bitterly anti-American tone in a speech in Sofia after this week's meeting of Warsaw pact foreign ministers in the Bulgarian capital. The missiles will also dominate talks in Vienna this weekend between Mr Andrei Gromyko, the Soviet Foreign Minister, and Herr Hans Dietrich Genscher, his West German counterpart.

Herr Egon Bahr, the Social Democrats' veteran disarmament expert and head of the Bundestag delegation, spent the day yesterday in search of common ground on the missile question, but it seemed elusive. Diplomats here said it was wrong to suppose that Moscow had not yet said its "final word".

"There are times when you have to take what the Russians say at face value", one West-European diplomat commented, "and this is one of them. What might have been common ground is rapidly filling up with rockets."

Diplomats believe that if Russia fails to prevent the Nato deployments it will abandon the Geneva medium-range talks as pointless, while continuing the parallel talks on strategic arms (Sart). Soviet officials have hinted that cruise and Pershing 2s - once deployed and a fait accompli - could be incorporated into Sart and classified as "strategic".

● **BONN:** The talks this weekend between Herr Genscher and Mr Gromyko are seen here as the last chance for the Geneva negotiations (Michael Strydom writes).

Herr Genscher will draw on his long-standing professional relationship with Mr Gromyko to try to convince him that it is not too late for agreement if the Russians are ready to reply constructively to the latest American proposals.

He has already denied any intention of acting as a mediator between Moscow and Washington. But he will emphasize, in tones less ideological than those heard in Washington, the advantages of the latest Western offer, while insisting that the Russians will not shake Western resolution by threats or by encouragement of the peace movement.

Divided opposition lacks panache

David Watts, South-East Asia Correspondent, has visited Manila to report on the turmoil since the murder in August of a leading opponent of President Marcos. In this second article he examines the prospects for political succession. His first article appeared on yesterday's feature page.

The assassination of Benigno Aquino and the years of martial law have robbed the Philippines of its political birthright: politicians of sufficient stature to take over when President Ferdinand Marcos leaves the scene.

Even as the health of the President wanes there is no political figure behind whom people can unite, no name which can spark enthusiasm like that of Aquino. More than six weeks after the former senator's death the opposition is still working hard on a joint programme, trying to patch together a "shadow" government which would lay claim to power when the President goes.

But these politicians know they can scarcely claim to be the men of the future, many of them having been associated with Mr Marcos in one way or another.

Politics in the Philippines in modern times has always been a question of money and patronage. After the declaration of martial law in 1972, President Marcos successfully raised the opposition parties for much of their talent. Traditional politics could not survive in the subsequent years, with the media controlled by Mr Marcos's men and with



Mrs Marcos: obvious source of future power.



Mr Varata: America's choice for succession.

financial power and what remained of opposition political power gradually being ceded to the Government, except in outlying areas.

Even if the clutch of opposition leaders, now working on a joint programme, can agree on something coherent, political programmes are not

the stuff Philippines politics are made of. Personalities with the panache of a Marcos are what is needed. The best the opposition can hope for is to have a set of figures standing by, should Mr Marcos suddenly go, to prevent what many fear may be bloody contest for power.

The most obvious source of future political power centres around the President's wife, Mrs Imelda Marcos. She already holds several important positions, including Minister of Human Settlements, which disburses a vast amount of government funding. She is also Governor of Metro Manila, the capital area.

She recently announced that she would retire from politics and play no part in next year's election should the ruling New Society Movement (NSM) allow her to step down. There is not likely to be a lack of KBL sponsors for a motion that she should stay, but any subsequent grab for power by Mrs Marcos would not be so well received by the public at large.

She would most likely have the backing of General Fabian Ver the armed forces Chief of Staff and the men who control the broad, high ground of the Philippines' natural resources industries.

General Ver represents far more than merely the Army and the Air Force, having control also of intelligence and the various special commands, including the Aviation Security Command (Avsecom) which was in charge of security at

Manila airport the day that Aquino was murdered.

General Ver's son is said to be in command of the armoured units that have been brought into the capital in case of trouble.

The general has recently increased his influence as both of his chief rivals, Mr Juan Ponce Enrile, the Defence Minister, and Lieutenant-General Fidel Ramos, who commands the Philippine constabulary, have had their powers limited by President Marcos.

But General Ver is not a popular figure in the Army and can only hope to maintain his present position so long as the Marcos family rules. Whether he could rally the armed forces behind Mrs Marcos is in doubt especially in the light of recent unrest at the Philippines Military Academy.

Mrs Marcos's erratic and free-spending ways would not make her a President to delight Washington. The man most likely to find favour there would be Mr Cesar Virata, the present Prime Minister, an American-trained technocrat, who has done his best to see that policies recommended by the International Monetary Fund are carried out. Indeed, it is said that the presence of Mr Virata in the Government is the primary reason that the Philippines continues to get IMF credits.

But since the Aquino murder no one can safely predict the future.

Concluded

China joins nuclear watchdog agency

Vienna (Reuter) - China was yesterday admitted to the International Atomic Agency, the watchdog body which operates safeguards and inspections on civil nuclear reactors.

Approval of China's application, was by a unanimous show of hands at the agency's general conference here. China becomes its one hundred and twelfth member.

China will have to deposit with the US Government an instrument of acceptance of the statutes of IAEA, the atomic agency, a UN-affiliated body, before it can become a fully active member.

The country will not be bound by its membership to conform to the agency's international safeguards and inspection system, but it will be under pressure from other members to do so voluntarily, diplomats said.

Other states with nuclear weapons - the US, Britain and France - have voluntary safeguard agreements with the International Atomic Agency.

Mr Hans Blix, the agency's director-general, said that China could both benefit from and contribute to global cooperation in the peaceful use of nuclear energy.

Mr Donald Hodel, the US Energy secretary said "This decision by the world's most populous country, and a nation with a growing nuclear programme, is of great significance."

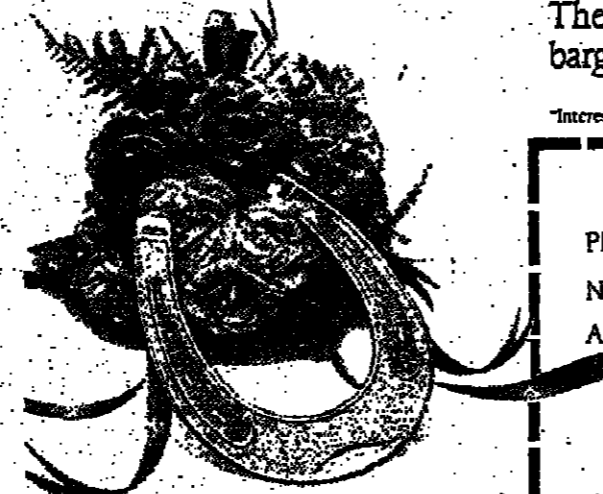
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Save regularly, and whenever you see a bargain you can snap it up.

Tail down: A Boeing 747 owned by Flying Tigers air freight company sitting on the tarmac at Frankfurt yesterday after part of its cargo broke loose and smashed through the fuselage.

Oppenheimer will vote against electoral reform

From Michael Horvath, Johannesburg

Mr Harry Oppenheimer, the doyen of South African industrialists and former chairman of the Anglo-American Corporation, the world's biggest mining group, says he will vote "No" on November 2 in the all-white referendum on the Constitution Bill, passed by Parliament last August, but not yet promulgated.

If the Bill is approved, it will probably be put into effect early next year. It would extend the franchise, on separate voters' rolls, to the Indian and mixed-blood Coloured minorities, whose representatives would sit in different chambers alongside the white chamber. The legislative function of the new chambers, however, would be little more than advisory.

Mr Oppenheimer, who retired as chairman of Anglo at the end of last year but still heads De Beers, the corporation's diamond mining arm, said his decision was made "with regret, certainly, but with no doubt in my mind."

Mr P. W. Botha, the Prime Minister, had shown courage in pursuing reform, Mr Oppenheimer said, but had "found it necessary to structure this reform in a way which en-

trenches the power of the white majority party (the ruling National Party).

The Government had also failed to consider the political rights of the millions of urban and rural blacks who wanted to remain South African citizens and rejected independence on Pretoria's terms.

What the Government had in mind for blacks, Mr Oppenheimer said, it had been made plain that it did not include a share in parliamentary power.

Opinion among white English-speaking businessmen is divided over the referendum. Most are expected to vote "Yes", believing the Constitution Bill represents a small, if inadequate, step, in the right direction.

The most interesting development has been the upsurge of black opposition. It had been thought that they were indifferent to what they saw as an all-white exercise.

But in the past few weeks, blacks of all political shades, led by Kwa Zulu's Chief Gatsha Buthelezi, have warned of a violent backlash if blacks are permanently excluded from South Africa's constitutional future.

Farmer dies using gun to club black

From Ray Kennedy, Johannesburg

A farmer was killed by a shot from his own gun as he beat a black labourer with the butt, it was reported yesterday. Mr Petrus Van Der Merwe, who was 46, swung the gun at Mr David Radebe, who had worked for him for 15 years, as they argued about a pick-up truck stuck in mud near his farm at Credfort, Orange Free State.

His son, Johannes said that two shots went off as his father swung the gun first time but they went wide.

The third time he struck Mr Radebe the butt broke and another shot went off which hit Mr Van Der Merwe in the stomach, killing him instantly.

Police kill two

Chihuahua, Mexico (AP) - Police charged and fired into a crowd of leftist protesters at a small town in northern Mexico, killing a 76-year-old man and a small child, and wounding at least 20 other people.

Far from home

Jiddah (AP) - A thirsty Dutch carrier pigeon found in the desert near here has been returned to the Netherlands.

Namibia unit blamed for death

From Our Own Correspondent, Johannesburg

Members of a police counter-insurgency unit in Namibia were yesterday found guilty by an inquest court of causing the death of a black detainee last year "by an unlawful act or omission".

The unnamed policemen were members of the Koevoet (Afrikaners for crowbar), an anti-guerrilla unit with a grisly reputation for brutality and ruthlessness.

Mr A. H. Coetzee, the magistrate who presided at the inquest with a forensic pathologist, said that Mr. Jona Hamukwaya, the detainee, had probably died from a head injury as a result of an unlawful act by certain members of the Koevoet.

Mr Hamukwaya was arrested by a Koevoet detachment on November 18 last year in southern Namibia. The police said they were looking for Swapo guerrillas who had been given food by villagers in the area.

Witnesses at the inquest, in Rundu, north-eastern Namibia, said they had seen Koevoet policemen hitting Mr Hamukwaya in the chest and back with rifle butts.



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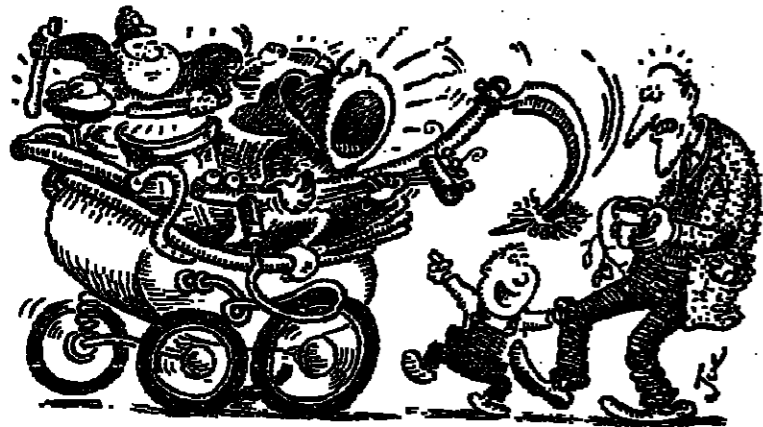


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WEDNESDAY PAGE

ALAN FRANKS' DIARY



I had always been under the impression that you could log the fleeing of your youth by the increasingly fresh complexions of policemen. This may be true, but a far more accurate guideline is the galloping juniority of rock groups. I write with confidence, since the band booked to play at the summer street party has an average age of 12. They are called Kandi and the Cassettes, and not even my colleague Richard Williams has heard of them. Yet.

I sense disaster. Not even before chemistry O-level did I have such intimations of failure. The schism that has dogged every meeting of the organizing committee will be reflected faithfully by a fiasco on Saturday. Strange how catastrophe has a kind of scent. It inflames the air with tension, and seems to speak the children as though they were thoroughbred stallions before a prairie storm. If I weren't such a coward, I would boycott the occasion. After all, there is ample precedent in the Street Radical's snubbing of both the Jubilee and Royal Wedding festivities. On the second occasion his children actually sported tiny sandwich boards with the slogan, "Monarchy is a celebration of mediocrity". That may be true for all I know, but how terrible to foist such knowing phraseology on political innocents. Perhaps I should come up with an apt riposte. What about: "Street parties are a communal affirmation of autocracy"? No.

Reggae music is drifting across the street in broken measures. A woman's voice is riding high over the beat, wailing venomously. "De Queen she nothin' but a painted doll". But the voice does not belong to a Jamaican, nor, strictly speaking, to a woman. It comes from the larynx of Kandi, vocalist with the Cassettes, and so it is rumoured, winner of a scholarship to one of London's public schools for girls. She is scarcely pubescent, as sparrow-boned as Piaf in her decline, pale as a ghost, with black springs of Afro-permed hair. All round the garage walls are younger children, my own daughter included, mesmerized by the angular act of this gamine.

It had to happen; daughterly demand for "a proper guitar, with wire coming out of it". I offer the usual return of service: "I can't afford it" and back comes "The new customary stop-valley". Then get some more money out of the wall. (A reference to the NatWest service till)

Bobby Marshall "drops by", ostensibly to "liaise" about Saturday but really to do a Mary Whitehouse over the corruptive properties of Kandi and the Cassettes.

She "drops by" again, demanding access to the following: (a) full lyrics of the Cassettes' intended programme at the party; (b) name, address and occupation of Kandi's father; (c) a copy of the local authority music licence for Saturday. As if I should possess any of these. The trouble about such childless busy-bodies is that their caring instincts invariably manifest themselves in blanket censorship. My inner voice suggests she take an acid bath at her earliest convenience, but my outer one refers her to Parvis Maitland. A worse fate by far.

The party is upon us; so too is the world and its wife (by which I mean the Maitlands, the Petranellas, the Street Radicals) and its token pensioners, the cats Fidel and Raoul. Morgan Prewitt is of course in attendance, being bribed by his mother into near-tranquillity with a stream of confectionery. If he is quiet, that is only because he is seeking out the most strategic spot at which to throw a Morgasm. Even Caetano the window-smearer and Magnus the roof-burner have turned up - touting for trade I suppose. Kandi, quite repressing the classical scholar within her, is singing: "Gonna take me pistol to de palace". Someone is fiddling with the jackplugs in the pre-amp. It is Bobby Marshall, trying to disconnect the band for the good of the community. My son at once slaps in a party bid for "a proper guitar with wires coming out of it". Suddenly it seems so much more effective than conventional arms.

'A woman's place is in the House'

People in their early forties are, nowadays, very fashionable, politically speaking. So it was a chic move on the part of Mrs Thatcher (58 tomorrow) to appoint Emma Nicholson, at "forty-one and eleven twelfths", a smidgin younger than party chairman, John Gummer, as vice-chairman in charge of women.

Emma Nicholson is the daughter of Sir Godfrey Nicholson, a former Tory MP, and a grand-daughter of an earl. One of her sisters is married to a Foreign Office minister, Richard Luce, and another to Sir John Montgomery Cunningham. Emma wears Jaeger-ish clothes and lives in a prettily cluttered Belgravia mews house. So far, so identikit Tory Lady. She departs from the stereotype in that she was one of the first women in the country to work in computer technology and in always, unswervingly, putting her career first.

"When I first started work, I found that none of the men I met was at all interested in my job. If I had a broader variety of friends then, perhaps, I would have met men who weren't so dismissive, but I didn't. I couldn't fit myself into the straitjacket that was all that seemed to be offered to me. I felt that I wanted to learn more."

"So I had to give up the idea of marriage although, obviously, I'm very sorry not to have had children.

As compensation, I have always worked terribly hard at friendships." Graduating from the Royal Academy of Music with not quite enough talent to become a professional musician, she decided that the new field of computer technology sounded challenging. Vocational guidance experts told her that computer companies were unlikely to hire a music graduate who'd given up mathematics for ever at the age of eight. "I was so angry, I looked up 'computers' in the telephone directory and persuaded ICL to give me a test." She passed and began a tough training that became easier once she discovered similarities between music and computing and worked through problems "by applying fugal analysis."

Five years ago, she joined the Save the Children Fund to help with forward planning and is now Director of Fund Raising - "a more elegant term for chief professional beggar."

As an MP's daughter, she opted into politics early. "I have always seen it as the thing that mattered in achieving change for other people and the way to get a wrong put right." In 1979, she contested the Labour stronghold of Blyth in Northumberland, the first woman to do so. She lost the fight but won the highest ever Conservative vote.



Emma Nicholson: down the pits for votes

She sees her present political role as "a kind of constituency task, the 'constituency' being women's votes. I want to make the Conservative Party the natural one for women to join."

I said that this Government has been blamed for making women's

lives more difficult. Cuts in the social services, nursery provision and care for the elderly and a back to the kitchen sink philosophy hardly made the Conservative Party the women's one.

Emma Nicholson said that she didn't expect her job to be easy. "If

you want a soft life, you wouldn't choose to go into politics. It was tough getting the miners' vote in Blyth. But I went down the mines and came up with some of their votes. This is not a marshmallow exercise."

What's needed, she feels, are more women candidates but the problem is the average woman's impossibly stretched timetable. "They're either so busy working their way up the career path or bringing up children or both that they don't have enough mental space to be as involved in politics as I should like them to be."

Anyone who sits around whining because a woman isn't in a particular position doesn't understand the meaning of the Sex Discrimination Act. Until we get parity in the number of people who apply for jobs, we can't complain about unequal selection. The way to get more women in Parliament is to give selection committees the widest possible choice of candidates.

Well, yes, of course. But selection committees have been offered Emma Nicholson, a woman of intelligence, enthusiasm and an aptitude for hard work. Had she been a man, did she think that by now, she might have been selected for a winnable seat? "Oh yes", she said. "There are no two ways about that."

Penny Perrick

THE TIMES COOK



Shona Crawford Poole

Here is the task. Prepare a dish for eight based on two young guinea fowl weighing just over a kilo each. Three garnishes - not in the spring-of-parsley sense, but the classic French cuisine meaning of formal assemblies of accompanying vegetables and the like - are mandatory. Truffles and caviar are the only forbidden ingredients, but nothing may be prepared or cooked in advance of the four hours allotted for the job.

Ah yes. Your efforts must be set out on a silvered dish of vast expanse and placed before six judges, among them chefs of long experience and distinction. Then, when its presentation has been noted, the dish will be tasted and the balance of its flavours, textures and seasoning savoured or suffered.

Nine ambitious young chefs from hotels and restaurants up and down the country exercised their skills within these limits at the Dorchester in London last week. The occasion was a quarter-final of the Prix Taittinger, and it produced two semi-finalists, Herbert Berger of the Connaught Hotel, and Arthur Bukalo of the Inigo Jones restaurant in London, who will take on the competition from all over Europe in Paris later this month.

It was a marvellous day to be given fly-on-the-wall licence to watch the cooking, the judging and all the backstage bustle. The recipe,

which follows cannot be attributed to one or several of the chefs whose work was so very enjoyable. Too few of us have access to fresh foie gras for Herbert Berger's puff pastry parcels of breast of guinea fowl with foie gras and savoy cabbage to be a practical proposition. But the idea is so attractive, and so easily adapted to pheasant and other game birds, or even chicken, that I have done just that - adapted it.

Whether you make one guinea fowl feed two or four people will depend on how much additional stuffing goes into each parcel and the other constituents of the meal as well as the size of the birds themselves.

Breast of guinea fowl in puff pastry

- Serves four
1 or 2 guinea fowl, about 1kg (2lb 3oz) each
Onion, carrot, celery and bouquet garni for stock
225g (8oz) chicken or duck livers
300ml (1/2 pint) milk
110g (4oz) clarified or fresh butter
Salt and freshly ground black pepper
2 tablespoons port
1 tablespoon cognac
1 shallot or small onion, finely chopped
225g (8oz) fresh mushrooms, chantrelles, caps or large buttons
450g (1lb) puff pastry, homemade or bought
1 egg yolk
For the sauce
1 pint lightly seasoned guinea fowl or chicken stock
2 tablespoons port
150ml (1/4 pint) double cream
Salt and freshly ground black pepper

Cut the legs off the guinea fowl and use them either for stock or for another dish. Carefully cut the breast meat in one piece from each side, removing the skin and cutting away the white sinew. Set it aside.

Chop the carcass and put it in a large pot with the vegetables and bouquet garni. Cover with water, bring to the boil, skim, season lightly

and simmer for an hour or more.

Carefully pick over the chicken or duck livers (calves liver is another possibility in the absence of foie gras) removing all the stringy bits and any patches of greenish or yellow staining. Cover the livers with milk and leave them to soak for at least an hour, or for several in the refrigerator if you have time. Soaking in milk softens the flavour of the livers and draws out some blood, making them paler too.

Heat about two tablespoons of the clarified butter in a heavy frying or sauté pan and add the lightly seasoned breast meat. Cook it gently and lightly without allowing it to brown. Remove it as soon as you judge it is cooked but still a little pink in the middle. Set it aside to cool.

Dry the livers well. Add a little more butter to the pan and sauté them briefly, without browning, until they are firm enough to slice. Remove them from the pan and pour off the fat. Add the brandy and port to the pan, stir briefly to dissolve the meat juices and quickly pour off and keep the liquid.

Wipe the pan clean and heat the remaining butter. Fry the shallot or onion until it is tender but not browned. Slice the mushrooms quite thickly and add them to the pan. Cook and season them lightly, drain and set them aside to cool.

Carve the cooked guinea fowl across the grain into neat slices. Slice

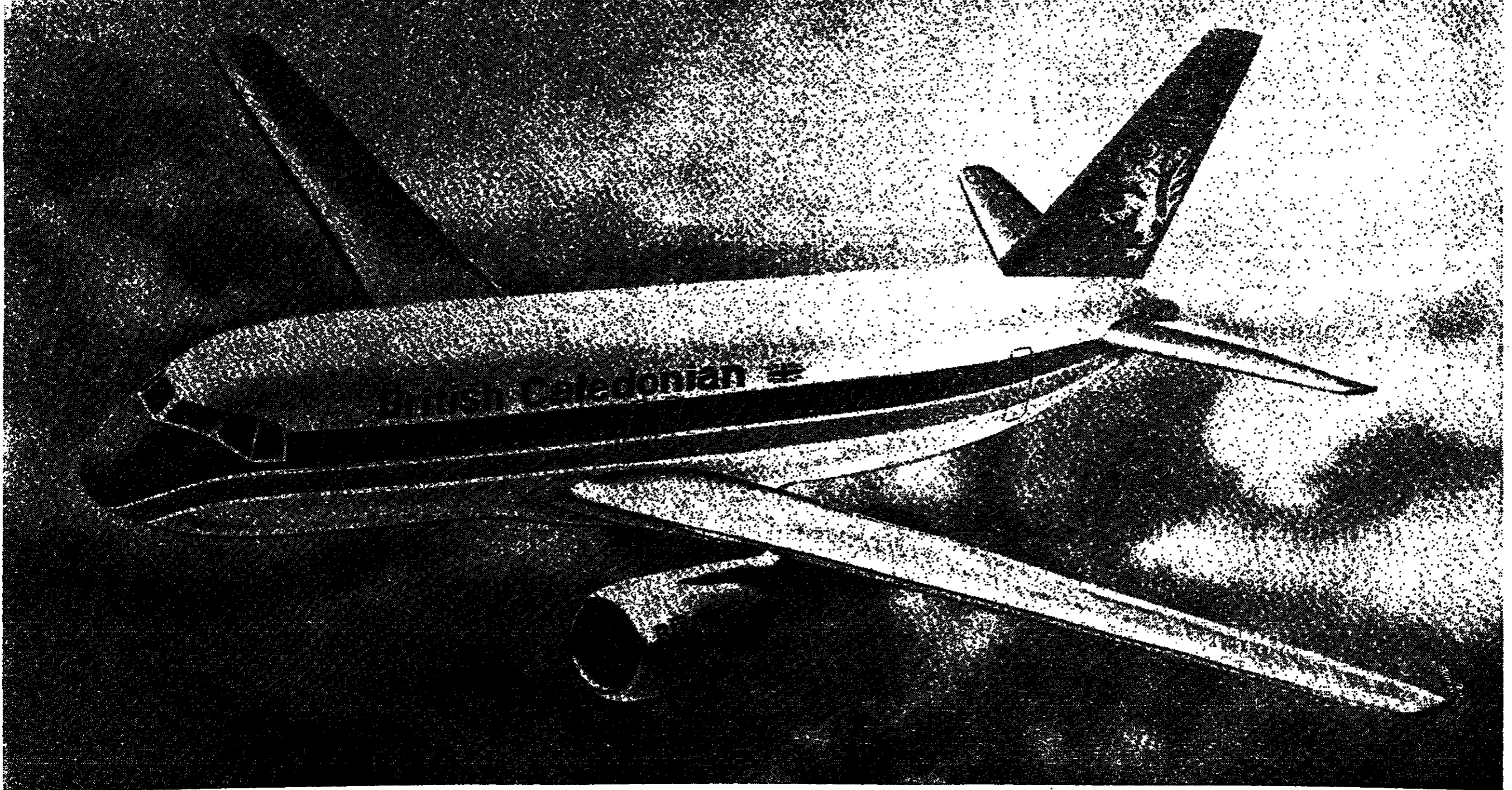
the livers too into pieces of about the same thickness. Place slices of liver between slices of meat to make up groups of slices in the shape of the original breast meat.

Roll out the puff pastry very thinly. Cut four pieces of pastry the same tear-shape and size the meat filling. Cut another four pieces the same shape but about 2.5cm (1in) bigger all round.

Divide the mushroom mixture between the four larger pieces of pastry, placing it in a heap in the centre. Now arrange the sliced meat and liver on top. Moisten it with a little of the fortified pan juices. Turn in the edges of the pastry loosely over the filling. Dampen the exposed edges and top with a smaller piece of pastry. Form each of the packets in the same way, then invert them on to a dampened baking sheet so that the joints are out of sight underneath. Decorate with pastry trimmings and chill them for at least half an hour before baking.

Just before baking them paint the tops with a glaze of egg yolk mixed with a tablespoon of water and bake in a preheated hot oven (230°C/425°F, gas mark 7) for about 20 minutes, or until puffed and golden.

Serve immediately with a sauce made by reducing the strained stock to about 150ml (1/4 pint), adding the port and cream, and reducing and seasoning the mixture to taste.



The Airline of the Year chooses the Aircraft of the Future.

British Caledonian, Airline of the Year, demonstrates what it takes to be a winner. In choosing the all-new A320 for their long-term fleet development, they express a vote of confidence in its ability to fulfil all the criteria of modern airline management. Underlining the superiority of the aircraft

which will lead air travel into a whole new era.

A private, independent company, B. Cal. has been able to make an unbiased commercial judgement based purely on economic and technical requirements. Part of this judgement is to

maximise profitability through extending the use of their current short-haul aircraft in anticipation of delivery of brand new European technology towards the end of the decade. Saving now to buy better, later.

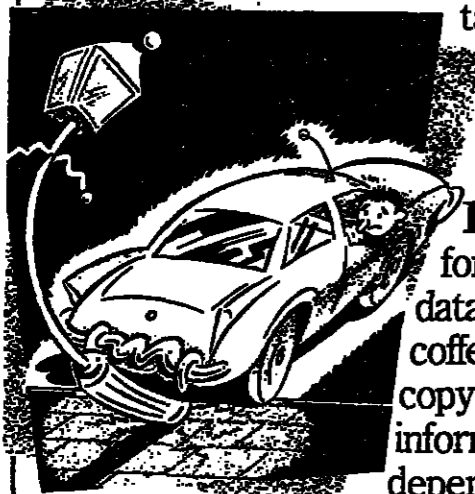
Airbus salutes the Airline of the Year.



If you thought a ram was only of interest to sheep, read on.

A.

ASCII: Pronounced 'Askey', it stands for American Standard Code for Information Interchange. This international code lays down the binary numbers (0s and 1s) which represent each letter, symbol or number that you can type into a computer. Without ASCII, computers wouldn't be able to talk to each other.



B.

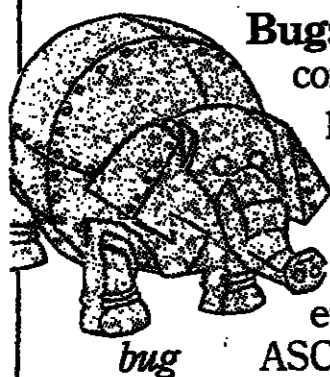
Back-up: The procedure for making copies of vital data in case of fire, flood or coffee damage. Systematic copying and secure storage of information is vital—business depends on it.

BASIC: A computer language conceived to make life easier for novice computer programmers. It stands for Beginners All-purpose Symbolic Instruction Code. BASIC has gone on to become the most widely used programming language for microcomputers.

Binary: Computers use a rather similar code to Morse, which has dots and dashes. Some people might actually call it 'a binary asynchronous communications protocol'. But to put it simply binary means two—just two bits of code are used, just like dots and dashes.

Bit: Having grasped the complex mathematics of 'binary' you'll wonder what to call a 'dot' or a 'dash'. It's simple enough—bit.

Buffer: The place in a computer's memory where you put data before processing it.



Bug: A program error. Coined by early computniks who found that insects played havoc with the workings of their huge machines.

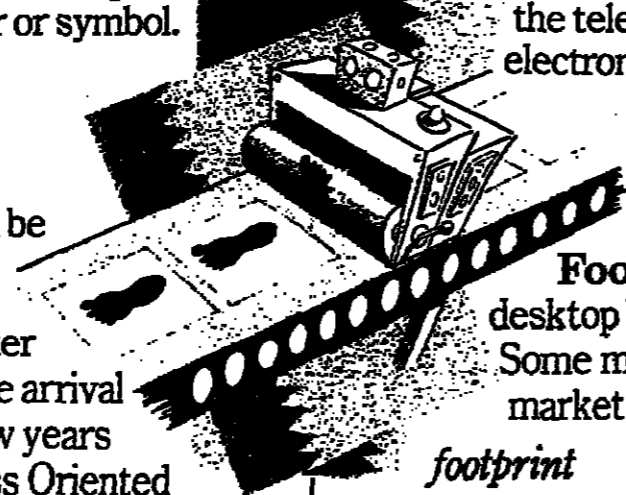
Byte: Short for 'by eight', normally a group of eight bits which contains enough information to represent an ASCII number, letter or symbol.

C.

Character: Any symbol that can be displayed on a computer.

COBOL: The grandad of computer languages and widely used until the arrival of microcomputers *en masse* a few years ago. COBOL, or Common Business Oriented Language, is used by most mainframe and mini-computers. It's been criticised for being too cumbersome (no computer language pleases everyone) but some micros now run it.

Command Driven: A software package controlled by special command words keyed in by the user. Not for novices, who work better with menu driven programs.



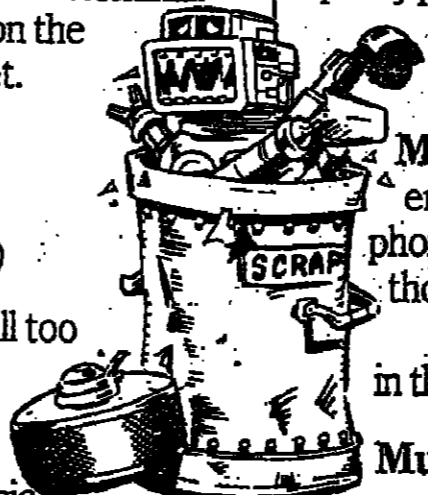
F.

Footprint: The space taken up on a desktop by a microcomputer or terminal. Some machines currently on the market have rather big feet.

G.H.

GIGO: Garbage In, Garbage Out. All too often computer errors are not the machine's fault but the operator's.

Hardware: The mechanical, electronic and plastic bits and pieces of a computer.



CPU: The Central Processing Unit is the heart of any computer. It controls the other units and applies arithmetic and logic to the data fed in.

Cursor: When typing onto a computer screen you need a way of seeing where you are. The cursor tells you where the next thing you type will appear or indicates characters you wish to delete or move.

D.

Daisy Wheel Printer: Produces high-quality typing. The printing head resembles a daisy, with preformed characters at the end of spokes. The Merlin printer produces up to 700 words a minute in a variety of typefaces.



daisy wheel

Data Management: For business micros. Allows users to maintain files of information either as a simple electronic card index, or as a more exotic enquiry system, able to extract facts and figures and print them out as reports.

Disk: Computer memory is expensive, disks are cheap. A computer can make magnetic marks on a £5 disk and can store 100,000 words. To keep the same amount inside the computer, you'd need a memory costing the best part of £1,000. Disks are also small and light: a 5 inch disk can be sent by post.

Dot Matrix Printer: One of the ways of printing out results from your computer. A dot matrix printer has a battery of pins which create characters from a pattern of dots.

E.

Eight-Bit or Sixteen-Bit: The computer industry's answer to 'horsepower'. You don't need to know how many bits a computer has. What matters is 'can it do the accounts?' and 'how many people can use it at the same time?'

Electronic Mail: Services such as Telecom Gold which allow computer terminals to dial up over the telephone network to consult personal electronic mailboxes.



language

Input/Output (I/O): Input is the information fed into a computer. Output is the information produced by the computer.

Interactive: Computers operate on information in different ways. They may be programmed to store up data and programs and to work on them at a given time: this is batch processing. Or they may be required to respond at once—interactive computing. All microcomputers are interactive.

I.

IPSS: International Packet Switched Service. British Telecom's international computer data transmission service.

K.L.

K: Literally, a thousand. In the computer world there are actually 1024 bytes in a K or Kilobyte (not many people know this—not many people need to).

Language: The native language of a computer is the morse code of the binary system, but writing programs in binary is far too cumbersome and long-winded. So, computers have high level languages like BASIC and COBOL which are more like English and describe the work we want to do.

Programs are written in these languages and then translated into binary or machine codes.

M.

Memory: A measure of the power of a computer is its memory capacity. A typical £100 home computer holds about 1,000 characters in its memory—barely enough for a letter.

Something like Merlin's office microsystem (with space for nearly 250,000 characters) can hold a couple of sequels to *The Winds of War*, and let the accountant run his payroll program at the same time.

Menu: To make life easier, many programs ask the operator what he wants to do. They present alternatives—a menu. The MerlinMaster menu program, a feature of the M2200 series, presents you with a list of alternatives. In plain English.

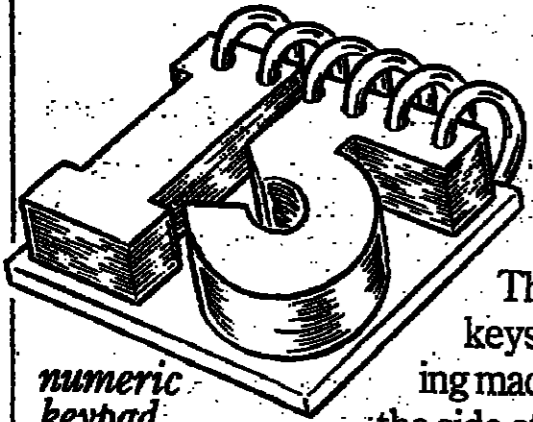
Microspace Justification: A feature of better quality printers that allows printing to look as good as typeset text, with words stretched evenly across the full width of the column.

Modem: Short for modulator/demodulator. It enables you to attach your computer to a telephone line, translating computer signals into those used by the telephone network.

Merlin is the biggest supplier of modems in the country.

Multi-user: Merlin's M2235 microcomputer is powerful enough to support the work of more than one terminal at a time.

دعا من اوله



numeric keypad

N.

Numeric Keypad:

The layout of numeric keys borrowed from adding machines and added to the side of modern computer-keyboards: Allows rapid input of figures, given the right fingertips.

O.R.

Operating System: The operating system keeps track of all those bits and bytes. It tells your machine how to start working and how to interpret any instructions you give it.

Peek: The command you give the computer to move information out of its memory.

Peripherals: The printers, disk drives, keyboards and so on which enable information and programs to be fed in and out of a computer.

Poke: The command you give the computer to move information into its memory.

Port: Point inside a computer where a connection can be made between its processor and peripherals outside the machine.

Q.R.

Qwerty: The classic typewriter keyboard is known by the six letters on the top left hand keys: QWERTY

RAM: For a computer to work, it has to run a program which has to be inside the computer. It probably takes about 10,000 code words, and they are fed, one at a time, to the central code processor, which the computer is best left to do by itself (it can read its own memory circuits the way you can read a newspaper story).

It can read any memory circuit it likes, at random. That's why it's called 'Random Access' Memory. However, it isn't random. It's fast, direct access. (See ROM).

Report Generator: A program designed to let you select and lay out information that has been produced by the computer.

ROM: Coded information stored in computer memory just evaporates when the computer is switched off. But computers need to be told what to do next time they're turned on. This information is stored in wires. Very fine wires. 100,000 on each chip. The computer can read the codes, but it can't change them. They're called Read-Only Memory - ROM.

RS232: An electrical standard devised for 25-pin plugs and sockets used to link up computers with printers, plotters, modems, and each other.

S.

Serial: When bits are transmitted in a stream down a single wire they're serially transmitted. A parallel bit stream involves sending bits over a number of wires simultaneously.

Software: Refers to all programs which are run on computer hardware. Some software is fed in on tapes and disks, some remains stored permanently on the computer's memory.

There are two types of software; applications software does the work and systems software keeps the computer in line.

Spreadsheet: Financial planning aid that's a clever computerisation of the sheet of paper, pencil, calculator, and rubber.

The first low-cost spreadsheet was introduced in 1978, and was important in making microcomputers respectable tools for today's business.

T.

Teletext: Television based system that displays publicly broadcast information.



software

Telex: The national and international text communication network. Merlin is the biggest supplier of micro-processor based telex terminals in the UK. Both the Merlin M2200 series computers and M3300 word processor can be linked to the telex network.

U.

User Friendly: A claim made by software sellers. Often promised, seldom delivered.

V.

Viewdata: System developed by British Telecom for sending computer data by telephone line for display on low-cost modified television sets and other terminals.

VDU: Visual Display Unit is jargon for the screen attached to your computer.

W.

Wild Card: Facility to allow you to find the information you want when you're not quite sure what you're looking for. Asking for Jock might produce records with Jock and Jockstrap, as well as Joke.

Winchester Disk: There are two types of disk, floppy and hard. Of the two, the hard disk in its sealed container is able to hold much more information which is loaded into it from cassettes or tapes.

A compact hard disk unit often found in microcomputers is called a Winchester.



wild card

Z.

Zap: When you correct a fault inside the computer's memory by altering its signals you 'Zap' it.

Addenda

Some new or rarely used words, not in everyday use.

Advice If you want to ask an expert about some aspect of a Merlin computer before or after you've bought one, dial 100 and ask for Freefone Merlin.
After Sales Service Many computers have to be looked after by a dealer. He may have to look after lots of makes. Merlin, on the other hand, employs specialists, experts and engineers who handle only Merlin equipment.
Training Courses Merlin have courses to suit all types of business. They range from a half-day introduction to a complete week's training.
Reassurance Will the company you buy your computer from still be in business next year?

Or call us.

Why is it that computer people always talk so that only other computer people can understand them?

They don't seem keen to help anyone who wants a desk-top computer for their business but hasn't taken a degree in programming.

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We're British Telecom Merlin. And we've been adapting high technology to the needs of the businessman all our life.

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puters and word processors we'll tell you all about them in a language you'll understand.

English.

Needless to say you'll encounter some jargon. But we'll explain as we go along.

We also don't expect your staff to be as dedicated to a dedicated word processor as we are. Which is why we have a comprehensive series of training courses so that they can make the most of the equipment you buy.

What's the use of paying £3,000 for some hardware (there we go with the jargon again, but we reckon you'll know this one) when you can only use £1,500 worth?

Even when your equipment is installed, you may still have a few teething problems operating the programs you've chosen.

A mental block. You've mislaid the manual or pressed the wrong key.

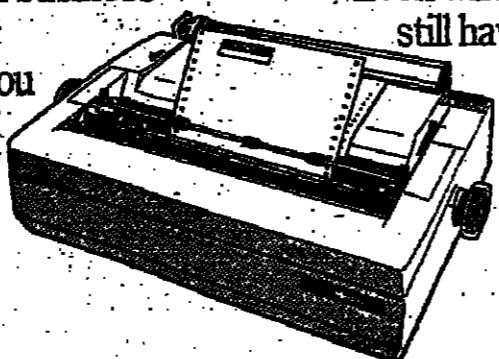
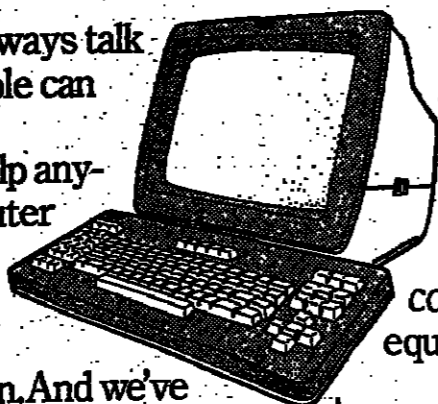
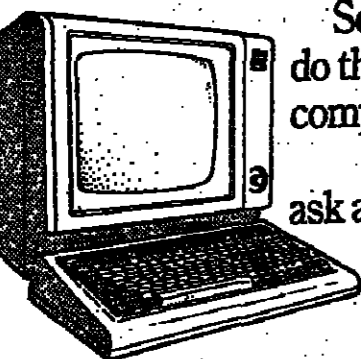
In that case all you have to do is ring your local Merlin office, and one of our experts will help you solve your problem.

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Someone had to make it simpler.

In March Bob Hawke, the ebullient former Rhodes scholar and trade union leader, led the Labour Party to a landslide victory in the general elections. Tony Duboudin writes from Melbourne on the performance of the new government.

Seven months into its term, the new Australian Labour government, the first since Mr Gough Whitlam's administration, has avoided the mistakes, turmoil and shoot-from-the-hip style that characterized the Whitlam years.

There has not been the flurry of legislation, initiatives and pronouncements which marked the last Labour term. While the watchword in Canberra now is evolution rather than revolution, the difference between the last Labour government and Mr Bob Hawke's administration is also as much a matter of style.

The Prime Minister's team has made some *faux pas* - the "spy" flight over Tasmania at the time of the Franklin dam row and the dispute with the chairman of the Australian Broadcasting Commission (as it then was) come to mind - but none of them was allowed to develop into a major issue. Mr Hawke acted rapidly and effectively to dampen any possible trouble.

The most significant matter, which has marred an otherwise fine record, has been the Coombe-Ivanov affair, and there too Mr Hawke acted rapidly and ruthlessly in seeking, and obtaining, the resignation of Mr Mick Young, the Special Minister for State, and a close personal confidant. By that action the Prime Minister made it clear that he was not going to allow the actions of an individual to embarrass his government, something which happened all too often under Mr Whitlam.

The Royal Commission, established by Mr Hawke to look into the affair and Mr David Coombe's relationship with Mr Valeriy Ivanov, a Soviet diplomat, has proved an

embarrassment for the Government. With hindsight Mr Hawke probably wished that he had not set it up. However, it did prove that the Prime Minister was not going to show any favours to colleagues.

Mr Young was alleged to have tipped off a Canberra lobby correspondent that a Russian diplomat was about to be expelled.

Mr Hawke has created a Hawke government first and secondly, and some say almost incidentally, a Labour government. While this style of leadership has not won him any friends among Labour Party idealists, it has certainly gained the confidence of business and investors.

Sometimes it is hard to grasp that there has been a change of party in Canberra. One newspaper columnist described Mr Hawke as more of a conserva-

tive than Mr Malcolm Fraser, the former Prime Minister.

Despite this conservative approach, the Labour government has managed to retain the confidence and, more importantly, the support of the union movement, although there are signs that the honeymoon may be drawing to a close. The social contract with the unions and employers, thrashed out at the national economic summit held in Canberra in April, has largely held good despite ruminations from left-wing unions.

However, the most important test of the accord will be whether the more extreme unions will be happy with the 4.3 per cent national wage decision granted by the Arbitration Commission. Should they consider it inadequate, the Prime Minister can look forward to a stormy few months.

Its ability to hold wage

demands at reasonable levels will almost certainly be the issue upon which this Labour government will be judged. It is also essential if it is to have any chance of fulfilling its election pledge of creating 500,000 new jobs during its three-year term.

Encouraging hi-tech industries

So far there are few signs that Labour will be any more able to reduce unemployment than its predecessors. There was an imperceptible drop in the number of jobless in the most recent quarterly figures but hardly anything to warrant rejoicing.

Unemployment is unlikely to improve until the world economy picks up and then not

necessarily significantly. Australia, in common with similar industrialized nations, faces the problem of aging, inefficient industries. The problem is compounded in Australia's case by its being a country with a high-wage structure in the midst of a low-wage cost region.

Any wage explosion, as well as jeopardizing Labour's economic recovery programme, will rekindle memories of the runaway inflation of the Whitlam era. That, more than any other single point, gave Mr Malcolm Fraser his biggest stick against Labour.

This fear of precipitating another inflationary spiral has undoubtedly influenced Mr Hawke's approach. Under Mr Whitlam, inflation reached more than 17 per cent, fired by a free-spending public programme.

The government, also aware of Australia's industrial shortcomings, has taken a number of initiatives to encourage the high technology sector with generous tax concessions for investors in high-risk industries. However, in some areas, particularly computers and related products, Mr Barry Jones, the Minister for Science and Technology, believes that it is already too late for Australia. He says the country has "missed the boat".

Mine and farm are big export earners

While long-term prospects lie in new industries, mining and agriculture will remain Australia's major earners of export income.

Mr Hawke faces opposition from within the Labour Party and from the unions over uranium mining and the government's attitude to Indonesia over East Timor.

The party's policy on uranium, agreed to after extremely tortuous negotiations, in which Mr Hawke played a leading role, is that existing mines should be allowed to fulfil contracts entered into but that no new contracts should be signed or new mines started, except where uranium exists with other minerals. Ultimately the policy commits Labour to phase out the industry.

Mr Hawke has now said that he feels existing mines should be allowed to negotiate new overseas contracts to enable them to dispose of their production. This is a liberal interpretation of the letter of the party policy, if not the spirit.

Australia



While the Australian economy struggles to get off the ground, Sydney's skyline continues to soar

Nobby Clark

Mr Hawke further angered the anti-uranium lobby by criticizing the demonstrators who blockaded the Roxby Downs mine in South Australia in August. Speaking in Tasmania he said: "You see some of the same faces there as were here (protesting against the Franklin dam in Tasmania)." The phrase was reminiscent of a more conservative government.

The Prime Minister has already received two warnings from the party and its backers on the uranium question. The Victoria branch of the party warned the government not to water down its policy and the Australian Council of Trade Unions also told the government not to soften its line. Mr Hawke has, apparently, ignored both warnings.

On foreign policy Mr Hawke has ignored party policy on the East Timor question and has accepted as fact Indonesia's takeover of the former Portuguese colony, again angering both wings of the party. The East Timor issue is one that soured Australia's relations with its nearest and largest neighbour, particularly because of the five newsmen killed by Indonesian troops during fighting following the Djakarta takeover.

Captivated by the Queen Mother

Mr Hawke again attracted some criticism, although of a milder nature, when he went to London and was seen by Australian television viewers to be captivated by the Queen Mother. The obvious pleasure he showed in her company did not quite fit in with his previously stated republican views.

Mr Hawke has been described as representing a new breed of politician. That may be true, but the problems he faces are not new; they are similar to ones faced by virtually every leader in the Western world. It remains to be seen whether he can provide the leadership and new direction that Australia seeks to lift it out of the depression.

It is unlikely that any recent Australian political leader has come to power with such high hopes. The size of the task Mr Hawke has shouldered is enormous and is likely to be matched only by the disappointment among his followers should he fail.

On other pages

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Economy; agriculture 19
Mining; horseracing 20

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AUSTRALIA

Foreign policy is, more than any other, the area in which the young Hawke government has made its mark, although in a manner distressingly pragmatic to many Labour purists.

offensive in East Timor following isolated uprisings by the East Timorese. Those strange allies, Mr Hayden and Mr Hawke, the man who ousted Mr Hayden from the Labour leadership the day this year's election was announced, have conspired to prevent a major confrontation within the ruling party over the thwarting of Labour policy on East Timor.

In Labour's seven months in office the focus has switched decisively from preoccupation with Australia's alliance with the United States to concern with its role within its own region, most importantly with members of Asean (Association of South-East Asian Nations), and with its scattered eastern neighbours in the Pacific.

Foreign policy is one of the few areas on which Mr Hawke has not imposed his personal stamp. Had he done so, the Labour Government's foreign policy would have been little different from that of the previous administration - internationalist, sympathetic to the US, fiercely anti-Soviet.

FOREIGN POLICY

Turning a blind eye to tragedy

months of government out of the public eye, nursing his wounds and listening to his department's advice. He emerged to announce that improved relations with Asia were his main goal and promptly flew off to meet President Suharto of Indonesia.

and avoided a confrontation in the Labour Party over the issue by the recent fortuitous UN decision not to debate East Timor this year. On Vietnam, the government has similarly avoided both implementing policy and internal manoeuvre by the grandiose expedient of offering to mediate between Asean, Vietnam and China over Cambodia.

of his first overseas trip, delivered an unqualified endorsement of continued close relations between the two countries and, to the surprise of many Australians who are scarcely aware of Central America, warmly applauded US policies in that turbulent region, in which Australia has no direct interest.

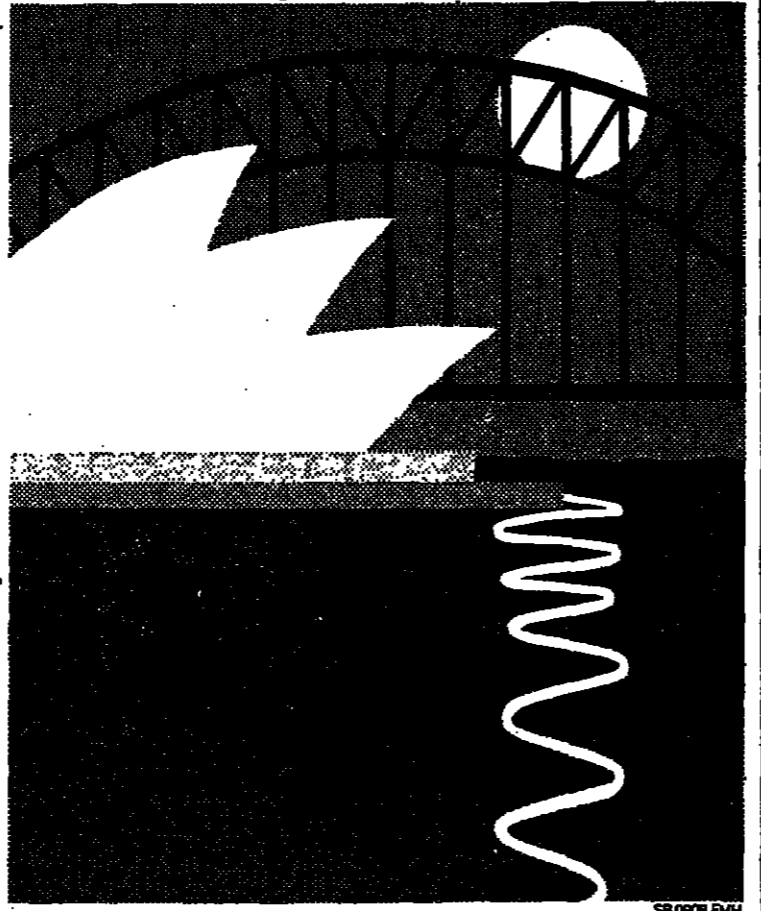
Labour. Mr Hawke knows that republicanism is electorally unpopular and will not push the issue. The main concern of Australia's policy-makers focuses on trade relations with Britain as filtered through the European Community. Tension over agricultural trade has diminished with the change in government but there is potential for conflict over Labour's unresolved policy to ban uranium exports to France.

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FOREIGN INVESTMENT

New realism to conquer old fears?

The Hawke government had to address itself to the issue of foreign investment only three days after its resounding victory at the polls. In the run-up to the March 5 election more than \$A3,000m (£1,818m) had fled the country, and on March 8 the government was forced to devalue the Australian dollar by 10 per cent to restore some sanity to the domestic money market and stability to Australia's capital account.

decisions on foreign investment, his mind has been elsewhere. On being elected, the government faced heavy budgetary problems and its Treasurer, while a politician of formidable acumen, was unshocked in economics. He had a budget to present only five months after his appointment.

his foreign investment policy in the light of the above. The review was intended to be completed by the end of September, but it has not yet appeared.

its edible foods division to Unilever Australia because of the increased foreign control of the edible oils industry, particularly retail margarine, which would follow. Likewise, a takeover of the Australian sweet manufacturer, Allen's Confectionery, by Cadbury Schweppes Australia and a local private company, Nelson Australia, was refused on the grounds that Cadbury Schweppes already had a majority position in the domestic non-chocolate sector of the confectionery industry.

The Australian Labour Party is profoundly distrustful of foreign capital. Xenophobia partly explains it. Perhaps more to the point, however, is the fear of being controlled by outside forces, of having control and sovereignty diminished by an interest incompatible with Australia's perceived national interest. It was these concerns which led the Whitlam government (1972-1975) to seek billions of petrodollars, not through its fiscal agent of long standing (Morgan Stanley), but via Tirath Khemlani, who was indicted by a federal grand jury in New York for conspiracy in 1980.

Under this new-look FIRB every application is regarded de novo past decisions now appear to carry little weight at all. This is especially so when it comes to changes of ownership in the financial sector. To an incredulous financial community, Mr Keating refused a deal whereby the American Citibank would sell 49.9 per cent of a large merchant bank and discount house, Citinational, to Australia's second biggest life insurance company, National Mutual T-and-G Life. In return, Citibank would buy Grindlays Australia, a wholly-owned offshoot of Grindlays Bank. Citibank was selling 49.9 per cent of a company with assets of \$A420.1m to acquire a company with assets of \$A107.7m. Mr Keating could not see a net economic benefit in the transaction.

When the present government assumed power, its precursor had already called for applications from "about 10" new banking licences. Towards the end of May, Mr Keating issued a statement rescinding the previous government's offer and announcing a new mini-inquiry to review the Campbell Committee's recommendations on the financial system in the light of the new government's "economic and social objectives". This committee, dubbed the Martin Committee, after its chairman, Vic Martin, a senior Australian banker, is due to report to the Treasurer by late next month.

The consensus among advisers suggests that only four or five foreign banks will be admitted. This would imply one bank each from Britain, the United States and Japan and, perhaps, two from continental Europe. There seems little chance that foreigners will be allowed to own more than 50 per cent of any new bank.

However, Bob Hawke, the new Prime Minister, and Paul Keating, the Treasurer, do not share their party's more extreme views on foreign capital and foreign investment in Australia. During visits to New York and Washington since their election, both have taken pains to reassure foreign bankers and investors that Australia welcomes foreign investment. Mr Keating, while shadow Treasurer, met several foreign bankers resident in Australia, partly to disabuse them of any latent concerns over a Labour government, partly to listen to their views.

He has also refused foreign acquisitions in manufacturing, Australia's giant farming, trade and financial house, Elders DCL, was not permitted to sell

Simon Holberton The Age

Simon Holberton The Age

Large advertisement for Qantas and Westpac. Qantas section features a koala illustration and text: "I think your Business Class has too much class, Qantas!". Westpac section features the text: "You, first in Forex." and lists various international branches.

Handwritten scribble at the bottom center of the page.

AUSTRALIA

ECONOMY

Luck fails the Lucky Country

Three or four years ago the Australian economy was managed with admirable conservatism by Malcolm Fraser, whose views coincided with those of John Stone, permanent head of the Treasury. The inflation rate was well below the average of that for members of the Organization for Economic Cooperation and Development (OECD) and, when oil prices jumped, Australia, with its stability and energy riches, became the darling of the world financial community.

However, that was mostly a chimera. Oil prices fell and drought struck the rural areas. That could not be helped. But Australia has also had a burst of economic mismanagement and union bloody-mindedness unmatched since the Whitlam-Cairns era of 1973-75.

The outcome was: inflation now running at double the OECD rate; a federal budget deficit of nearly \$A8,400m (£5,000m) or 4.7 per cent of gdp; unemployment at 10.3 per cent and officially forecast to rise in 1983-84; corporate profitability reduced to the lowest post-war level and no rise in private investment or self-sustaining recovery in sight.

Overall, the economy shrank by 2 per cent - Australia's worst annual performance since 1946.

In the past two months the economy has ceased to contract, and, with farming reviving strongly, it is heading for moderate growth in 1983-84; official forecasts have edged up to 3.5 per cent.

The growth is largely the result of an 18.5 per cent rise in spending by the Fraser government (6.3 per cent in real dollars) in 1982-83, and projected rise of 15.8 per cent (7.2 per cent real) under Bob Hawke.

Neither Australian leader has faith in such a Keynesian prescription for a sick economy. To a degree, Mr Hawke was locked into a giant deficit this year by Mr Fraser's vote-buying budget 14 months ago. However, the Labour Prime Minister passed over the chance to trim it by a couple of billion dollars.

He argued that an apparently excessive deficit was justifiable because his pre-election agreement with the union movement (further hikes at the union-government-employer summit talks in May) would hold down wages growth. The agreement involves full indexation of wages to the consumer price index.

Mr Hawke has had one nasty shock already, with the consumer price index 4.3 per cent, or nearly one per cent more than he expected.

The agreement may also be starting to unravel as stronger unions aim at above-indexation rises. But it is too early yet to know whether the breaches so far, such as the SA16 rise spreading through the chemical industry, are the first of many.

Even if the union leaders stick with the agreement - and they are angry with Mr Hawke over his policies on superannuation taxes and tariff barriers - the workers on site take a less lofty view of national requirements. Regardless of unemployment levels, wage cuts are not part of their vocabulary.

The Australian workforce enjoyed a real wage growth of about 7 per cent in 1980-82, at the expense of corporate profitability, and even the present two years of zero real wage growth have workers reasonably well off.

Still, things could have been worse. From December 1982 to June 1983, unions went along with a wage pause. Future indexation is likely to be half-yearly rather than quarterly, allowing some restoration of profit share to corporations. An orthodox regime, coupled with orthodox fiscal policies, slowly got the economy out of the mire after 1975. But there is no guarantee that even if indexation is adhered to in the next two or three years, the new combination of indexation and mega-deficits will work.

In a review of Australia's five-year economic outlook last month, Lloyds International predicts only a slow recovery to 1985-86, a quick boom and then poor performance to 1988. The forecast appears to take as its premise an inability of the Hawke government to keep control of wage rises. Any failure of the 1983-84 budget strategy, moreover, could cause Labour to adopt worse rather than better strategies.

In the past 12 months interest rates have come down slightly, despite financing of the \$A4,500m deficit. This occurred, partly because of falling international rates and partly because of the slump in investment, and hence in corporate sector borrowings - a matter of cold comfort. Indeed, new capital raisings by listed companies in the March quarter were negative - the first time

this has been reported since 1950.

The outlook for interest rates in the coming year is more precarious, especially if the US rates start to rise. As the Treasury noted in the budget papers, sales of government bonds to the non-bank sector in the single year 1982-83 were greater in real terms than total sales to the non-banks during the whole of the 1970s. In 1983-84, the non-banks will have to digest an equivalent offering again.

Financial markets are becoming sceptical of governments' ability to deliver their promises on monetary policy. For five successive years the government has overshot its own targets on monetary growth, hardly conducive to confidence in financial markets. The current target is 9-11 per cent (M3), still disturbingly high. Meanwhile the floor being set under interest rates by government funding needs, makes a recovery of private investment less likely - the normal problem with government-led recoveries.

Corporate gross operating surpluses (profits, before interest and direct tax) fell 17 per cent in real terms in 1982, and after-interest surpluses would have fallen even more sharply. Even after the slight rises in profitability in the past half year, the health of the corporate sector is close to its lowest point on record, the previous nadir being 1974.

In manufacturing, output in 1982-83 tumbled 11 per cent, far exceeding the previous notorious decline of 1974-75. Housing construction sank by 25 per cent, but this has now revived as a result of all the money that the government has thrown at it. The revival of manufacturing is not yet predictable though surveys of levels of confidence are just starting to register an important move.

One survey of the metal and engineering sector a few weeks ago recorded that it had suffered the worst shake-out in 20 years, but with an upturn expected later in 1984. Almost half the respondents were restructuring, but not through investment; they were substituting imported parts, narrowing product lines, and merging with rivals.

British businessmen have been heartened by anti-protectionist comments by Labour government leaders, including

Bill Hayden the foreign minister, who said in September that Australia was "embalming geriatric industries in a sort of formaldehyde of protection". The Australian British Trade Association says it is of tremendous significance that the government so early in its tenure (and despite the recession) has recognized the need for freer trade.

Statements by Australian governments on freer trade have been two-a-penny for decades, while protective barriers continue to be raised. However, the Hawke government has put its policies where its mouth is in the case of Broken Hill Proprietary (BHP), which was given a package of bounties and market-share guarantees, but in exchange for promises of \$A800m investment over five years and specified productivity gains, to which unions have agreed. The target is 250 tonnes per man-year, compared with an indicative 230 tonnes at last June. Further ahead, BHP has its sights on a figure of 280 tonnes, on a par with some Japanese mills.

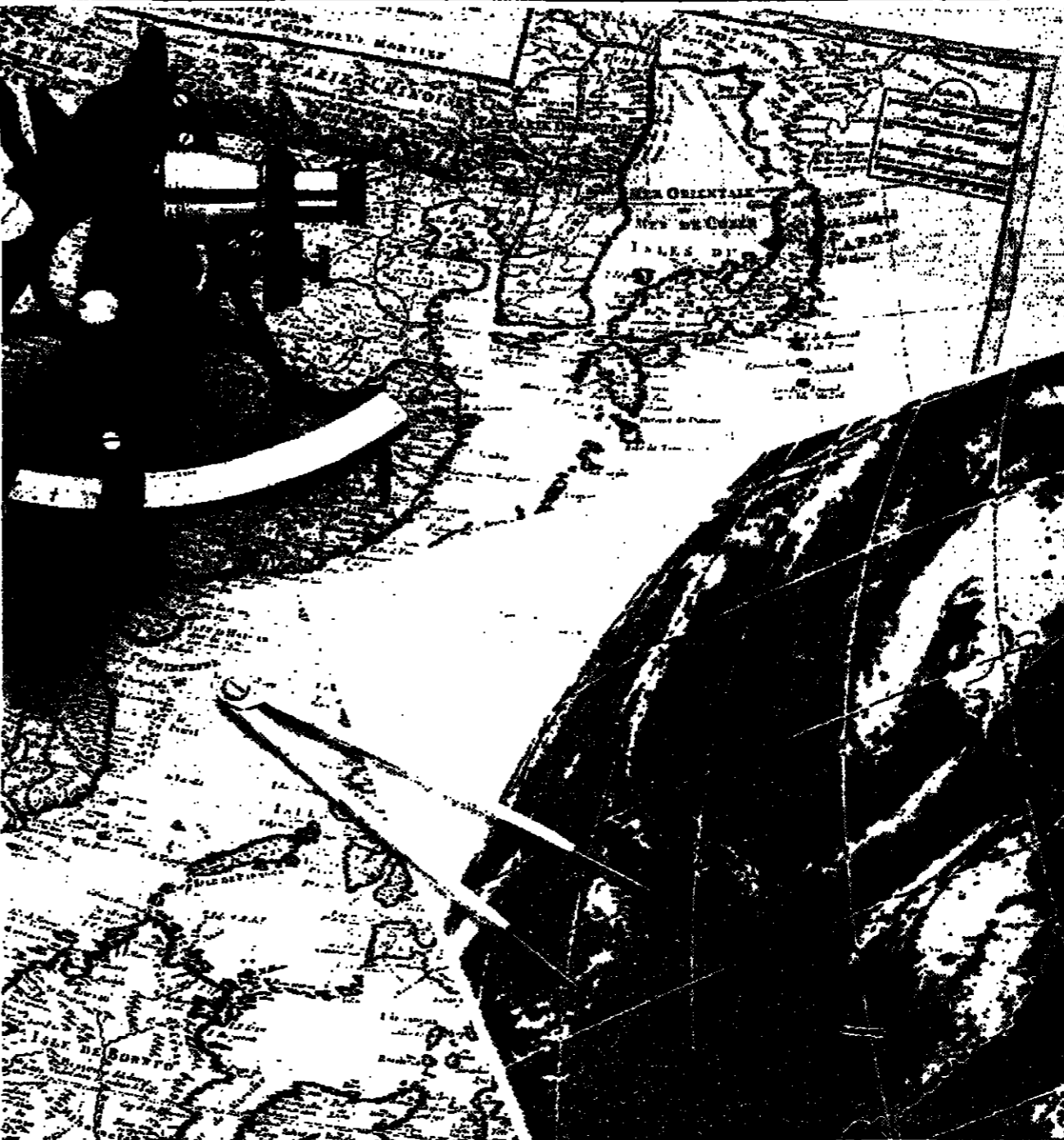
Inflation is forecast to fall from about 11 per cent to 7.5 per cent on the consumer price index (cpi), largely through the lagged effects of wage pause in the first-half of 1983. The cpi forecast is misleading because the budget shifts some health costs from the private sector to the government, and the inflation outlook using the broader-based deflator is a less rosy 11 per cent. One reason for the high rate, well above that of Australia's trading partners, is the rise in food prices in the wake of the drought. Another is the rash of state and semi-government price rises for services. The March devaluation is also contributing.

An area of relative policy success has been the exchange rate and balance of payments. Mr Hawke moved decisively by devaluing 10 per cent days after gaining office, partially correcting it for high wages growth (see table).

The effect of the recession in curbing imports has lowered the current account (trade and invisibles) deficit, while capital inflow has remained strong because of the follow-on effects of the 1981 resources boom, high local interest rates and the perception of the outside world that Australia is not Mexico, Brazil or Argentina.

For the 1983-84, the Treasury forecast is for a further fall in imports and in the current account deficit, a greater fall in capital inflow, and a modest fall in international reserves, which are now high.

The main risk is that the healthy level of capital inflow will evaporate or reverse as a result of such factors as uncontrolled wage growth or government refusal to set interest rates high enough to control monetary growth.



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LABOUR COSTS

Rate of growth of average hourly wages (per cent)

Year to	Australia	OECD
December 1982	17.8	5.8
June 1983	10.9	5.5
December 1983*	8.5	6.0
June 1984*	8.4	6.6

* estimated

Source: Victorian Chamber of Manufactures

OVERSEAS LABOUR COSTS COMPARED WITH AUSTRALIAN

(adjusted for exchange rate changes)

Year	1000
Base 1979-80	1000
First half of 1980	992
1981	921
1982	875
1983	828
1984*	801

* estimated

Source: Victorian Chamber of Manufactures

Tony Thomas

AGRICULTURE

Mud's money on the farm

There is a saying on Australian farms that "mud's money". The great drought of 1981-83 ensured little of either. The drought, in conjunction with depressed world prices and high cost inflation, lopped real incomes from farming by 53 per cent in 1982-83, the biggest fall by far in 30 years.

The good rains in the past few months (too good along the Queensland border, which was flooded) make a record wheat harvest likely in 1983-84. For farming as a whole, incomes are forecast by the Bureau of Agricultural Economics to rise by 110 per cent to \$A4,400m (£2,619m), with rural exports to rise by 10 per cent to about \$A3,000m.

In more detail, crop production should rise by 48 per cent, with prices up 6 per cent, while a 4 per cent drop in livestock products will be easily offset by a rise of 20 per cent in prices. The output figures are all consecutive owing to the recent upgrading of forecasts of the wheat harvest, which should top 18 million tonnes, about double last year's.

On top of this, for the first time in the 1980s, the rural "terms of trade" are moving in farmers' favour, with prices forecast to increase by 15 per cent against a rise of only 8 per cent in farm costs.

The bureau expects wool auction prices to rise by 14 per cent in 1983-84, provided recovery in the United States continues.

As a result of the drought's after-effects beef supplies to market are diminishing as farmers rebuild their herds. Prices are consequently up, by 39 per cent, but value of meat production and export are expected to decline.

Sugar prices have been at rock-bottom on world markets, but recent growing conditions in the northern hemisphere have been poor and since mid-year, sugar prices have turned up. The bureau forecasts that sugar exports should rise by 5 per cent to \$A615m despite a 16 per cent drop in the value of exports. However, the growing conditions in Queensland have been dry and the harvest volume will decline.

Industrially, the year has seen some good gains for the farming lobbies. Led by the National Farmers Federation, they succeeded in persuading the Arbi-



Stock deaths last year have led to a rise in meat prices.

In wheat, direct Australia-EEC competition is occurring in China, where the EEC offers freight and other subsidies. This helped put nearly 900,000 tonnes into China in the second half of last year. Australia has an agreement with China for 1.5 to 2.5 million tonnes of wheat a year, subject to price, and last year no sales resulted because of a price disagreement.

The EEC also causes Australia problems with subsidized flour sales to Sri Lanka, forcing other suppliers into markets served by the Australians.

As far as sugar is concerned, Australian growers are fed up with what they see as the undermining by the EEC of the International Sugar Agreement (ISA), of which the European Community is not a member. Australia, a low-cost producer with a lot of reserve capacity, has been limiting its exports only to see the EEC take advantage of this forbearance with big rises in its uneconomic beet sugar industry.

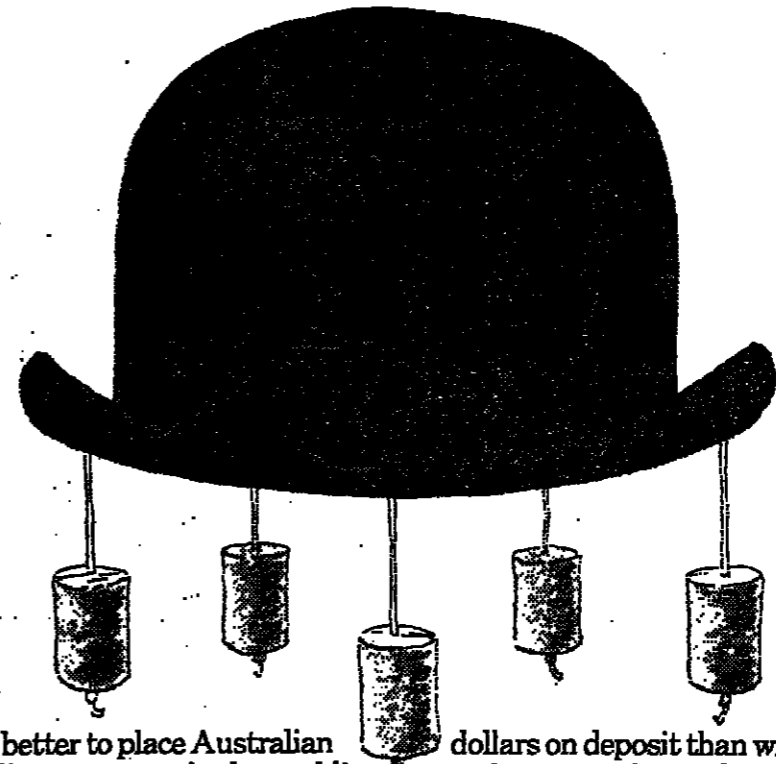
WORLD WHEAT PRODUCTION & TRADE

(million tonnes)

	10-year average 1972/73 to 1981/82		1982/83 estimate	
	Prod.	Trade	Prod.	Trade
Argentina	7.7	3.4	14.5	8.0
Australia	12.0	8.1	8.7	8.0
Canada	18.7	14.2	27.6	20.0
EEC	44.3	8.0	58.5	14.0
USA	55.7	34.1	78.4	41.5
Total major exporters	138.9	68.8	188.7	93.5
World total	408.8	74.8	478.3	98.7

Source: International Wheat Council

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MINING

Digging deeper for new markets

Even a limited inspection of Australia's vast mineral and mining industries can be a daunting task which takes you across the continent, sometimes through inhospitable and barely accessible regions.

However, the heady days of far-flung and enthusiastic development are over for the time being and "quarry" Australia, with its resources exposed to domestic and world pressures, is having to face up to tough times. A visitor to iron and coal mines these days finds much belt-tightening and fretting about cutbacks.

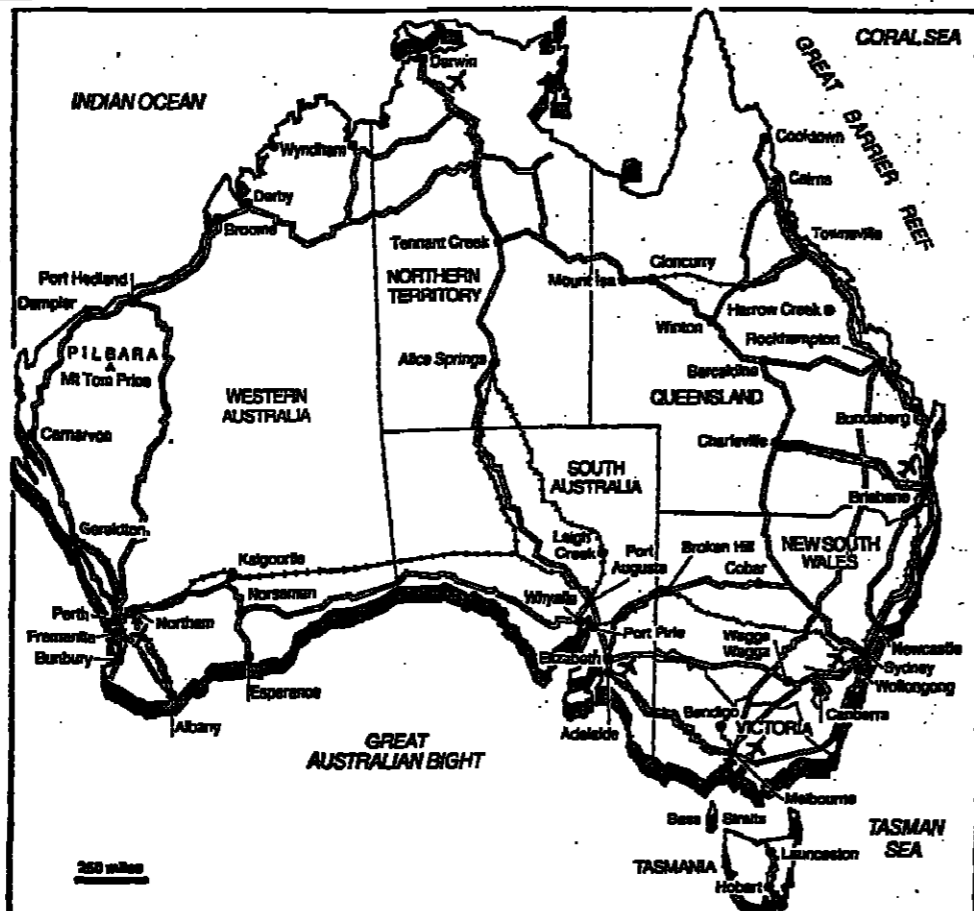
"This is one of the most difficult times in our history," says Mr John Wruck, a senior executive of Utah Development Company, the biggest coking coal producer in Australia, which is about to be taken over by Australia's largest industrial company, Broken Hill Proprietary (BHP).

The immediate problems are largely the result of a prolonged worldwide recession. The iron ore and coal businesses have been especially hard-hit. Other metals - Australia produces aluminium, bauxite, antimony, asbestos, chrysolite, bismuth, copper, gold, lead, manganese, mineral sands, natural gas, nickel, phosphate, silver, tin, tungsten, uranium and zinc - have suffered in varying degrees.

Australia, however, faces a longer-term challenge, so far tackled only half-heartedly. Since none of its resources monopolize the world market, the country must open up new markets and maintain its international cost competitiveness in old ones, at a time when whatever advantages it once possessed are being whittled away by newcomers.

Australian miners are hampered by high inflation (still double-digit), a fickle labour force organized along Byzantine lines which at the same time tends to promote industrial unrest, and governments - state and federal - which have strongly supported development, but which at the same time tend to consider underground resources as a cornucopia created for tax purposes only.

The problems include high levels of direct taxation, and indirect levies such as high rail



costs on state-operated, though sometimes privately financed, rail links. The current federal government would like to rationalize the taxation of resources, and has proposed a resource rent tax in vague terms, which could be based on, say, a minimum rate of return on investments.

The intention in theory would be to replace other, somewhat arbitrary, tax schemes which now exist. State governments, however, are reluctant to turn more control of taxes over to the federal government. And businessmen fear that any new tax plan, despite good intentions, will result ultimately in more and not less taxes.

Australian businessmen can no longer be complacent about their ability to market what they can mine. Gone are the days when billion-dollar development efforts could be supported on the basis of long-term contracts with Japan. Japan's steel and power industries are pressing hard to cut back and save on contracts. Australian businessmen are having to sharpen their negotiating skills. They are also scrambling to diversify into new markets, none of which looks quite as fat and profitable as in the past.

New and old customers are becoming more fickle about quality control and consistency of supplies. Miners must know more these days about technology than simply how to dig the raw material out of the ground.

From the coastal town of Karatha, built to support mine development in Western Australia's arid northwest, a twin-engine Beechcraft takes about 40 minutes to cross a seemingly endless reddish-brown expanse of desolate wilderness, dotted with scrawny brush and heat-baked gum trees, to arrive in iron ore country.

The destination, Hamersley Iron's Mount Tom Price, the richest deposit of ore in the Pilbara, looms below like a massive rust-coloured sandcastle. Its man-made contours testify to tens of millions of tons of ore which have already been carted by train nearly 250 miles to a seaside port, and then to blast furnaces, mainly in Japan.

Hamersley is operating at 36 million tons a year, against a peak of 39 million tons in 1980, and its sales are running at only 31 million tons. Paradoxically, recent industrial disputes stoppages have posed the problem of maintaining enough stocks, more than 60 per cent of which go to Japan, to load onto incoming ore carriers at the port of Dampier.

More than 1,800 miles to the east, in the sprawling Bowen basin of Queensland, one of the largest coal discoveries in the world is being systematically dug from the earth. However, production at Utah Development's Harrow Creek is being deliberately restrained because of low demand for coking coal in Japan.

Production of the easily accessible coal, nearest the surface, is also down. Utah's production is running 6.5 million tons below its 22 million tons of annual capacity. Though sales are inching up, reducing stocks somewhat, mines are faced with the prospect of 20 million tons of new annual capacity of coal coming on stream in Canada and elsewhere around the world by next year, further tipping the scales against producers.

About half a dozen new mines are in Australia itself, where a surge in demand from Japan since the 1970s encouraged a massive amount of investment for both coking coal, used to make steel, and steaming coal as an energy alternative to oil.

The poor market situation was certainly borne out in price negotiations with Japan this year, when contract prices were about 20 per cent below last year. Negotiations on longer-term contracts now coming into force are due shortly, and Japan is putting on pressure for price reductions on these as well.

Australian miners are not pessimistic about their long-term prospects. Fortunately, the country has virtually unlimited supplies of high-quality minerals. The key, however, lies in Australia's ability to bring under control the excesses and bad habits of the past.

Richard Hanson

RACING

No horsing around Down Under

When Robert Sangster, the British millionaire racehorse owner, first arrived in Australia about 10 years ago, he thought it rather quaint that the country's biggest race was a two-mile handicap.

Mr Sangster, by his own admission, had a bit to learn about Australians and their racing and it took him until 1980, when he won the Melbourne Cup, to fully understand. He described the discovery, that day at Flemington racetrack, as "the thrill of my life".

"This is better than Epsom of Paris," he said. "This is a win of the heart. That's what the Melbourne Cup is all about - tradition and feeling."

The Cup is indeed the heartbeat of Australian racing, even though it is common for horses with the limited ability of Mr Sangster's Beldale Ball to win. The Derby and other three-year-old classics are of course important, but not in the way that they are in almost every other country in the world. Comparisons between Australia and elsewhere are virtually useless because racing, and the way it is approached, is so different.

Consider the following:

Weight-for-age (wfa) racing may be the most glamorous section of the sport, but it still does not have the general appeal of a major handicap. More than once in recent years Australia's best horses, with a string of wfa victories behind them, have not been able to win full public acclaim until proving themselves in major handicaps.

Most of the big race winners, including two champions of the last decade, Manikato and Kingston Town, are geldings. It seems that a colt only has to win a couple of two-year-old races, and he is syndicated and sent to stud without proving himself over a distance.

Because of the emphasis on speed at stud, if a horse does happen to win major staying races he is often snubbed by breeders.

Australians love their horses. With more than 50 racetracks in the state of Victoria alone and hundreds throughout the country there is little chance of escape from horse talk, either in the city or in the remotest outback area.

It is in the tiny bush towns that the character of racing is often at its strongest. Walk into any pub and it is odds on that on the wall will be a photo of a horse winning a race, sometimes even a wall covered in



Neck and neck at Newcastle race course, NSW

photos. If the public doesn't own the horse himself, perhaps it belongs to the cousin of the wife of the publican's best friend.

Off-course Totalisator Agency Boards (TABs) are situated in every large suburb and town, providing an ever-increasing range of services. What started as sombre, tiny buildings requiring bets to be placed at least half an hour before a race and payouts held over to the next day, have become colourful places with betting up to the start of race, immediate payouts, televisions and display of approximate dividends.

There is also saturation coverage by the media. Daily newspapers provide fields and riders for every meeting on which the TAB operates and produce a full form guide for the main meeting. The Melbourne evening paper, The Herald, publishes a 12-page guide to all Saturday meetings on Friday nights and the morning papers produce four-page liftouts. All that is on top of the myriad strictly racing publications.

More and more meetings are now being televised live but more importantly, every single race on which the TAB operates is broadcast live on radio. Saturday morning radio, in mind-boggling, one station starts at 8 am with a half-hour preview recorded the day before. At 8.30 am the preview live, commencing with up-to-date information on runners, a track report, reports of weekly gallops that lasts half an hour, and then it is time for the official scratchings and bookmakers' markets.

At 9.30 am the scratchings are checked again and another preview given. At 10 am it is time for the scratchings again and then a talk-back show operator until 11 am, with callers asking racing questions to a panel of experts. Then the scratchings and markets are checked. The talk-back show then resumes until about midday, when the scratchings are checked once again. After that comes another preview with the same previewer offering the same tips.

Once racing starts, up to 40 races an afternoon are broadcast.

cast with TAB approximate odds given every ten minutes or so. At the end of the day there is a review and soon after comes a preview for the harness racing and greyhound meetings that night.

Australian racing, in many ways, is a game for young men and for people who have never had much luck. The foresight of Mr Sangster enabled him to penetrate the industry so quickly, that in only a few years he became the biggest owner in the country. But there are literally thousands of small owners.

The best example again comes from Mr Sangster. On one of his early visits he strolled into a Melbourne hotel and was asked by the porters how they should go about leasing a horse. Owners in Australia are spread throughout the community. Even porters can race horses.

In Australia, leasing is common and small syndicates have become the rage. In some instances, with the right provincial trainer, you can pay little more than \$A20 a week for a sixth share in a horse capable of winning in the metropolitan area. Stakes are good.

Said Mr Sangster: "You can buy a yearling for \$A30,000 to \$A40,000 (£17,850 to £23,800) with a very good chance of earning that money on the racetrack. One in a hundred could do that in Europe."

There are even better examples. Manikato, the outstanding Australian sprinter of the last ten years and winner of more than \$A1 million in stake money, cost \$A3,500 as a yearling. Kingston Town, winner of close to \$A2 million and Australian record holder, was offered for sale as a yearling and could not reach his reserve of \$A5,000.

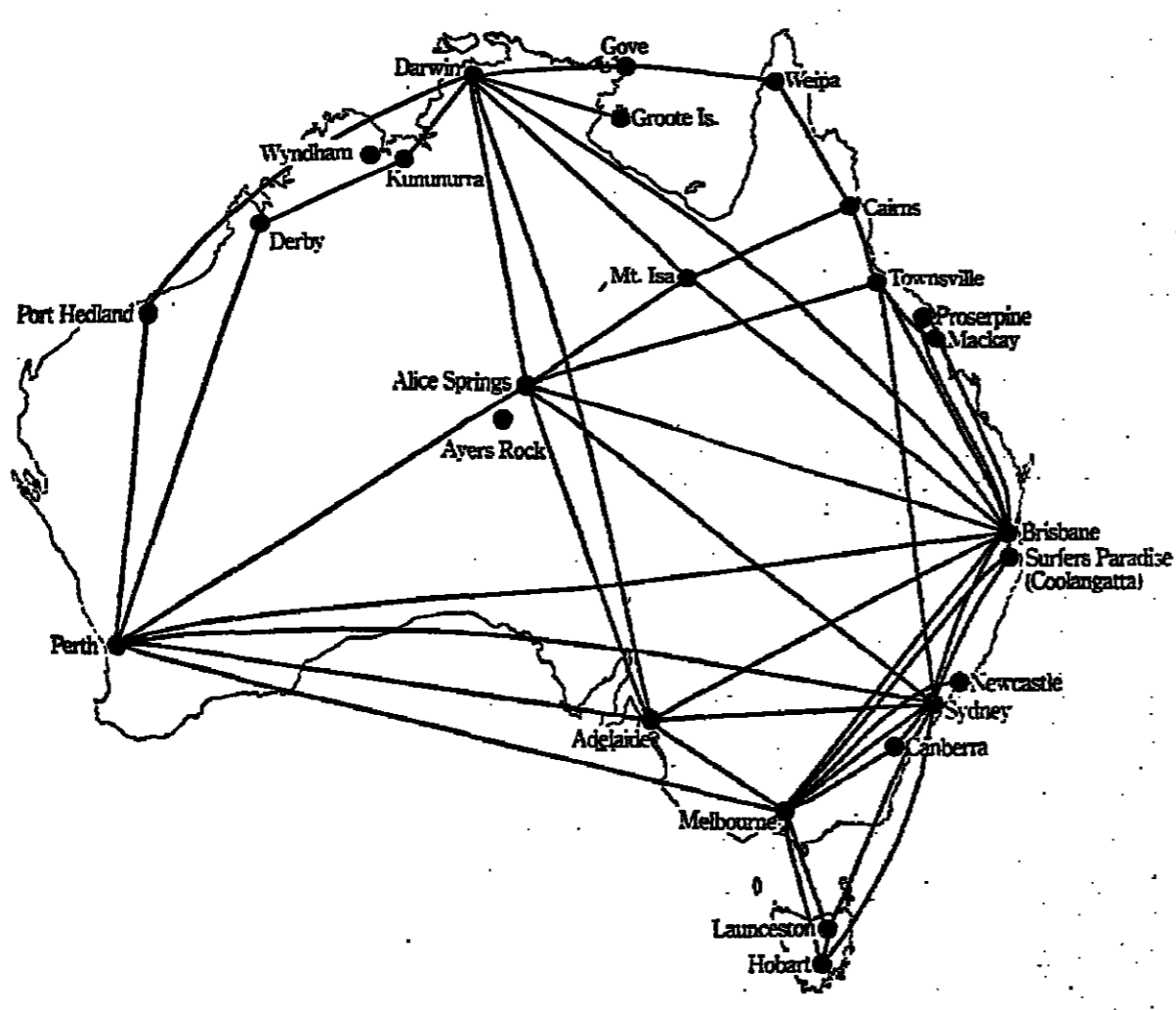
Three years ago Mr Sangster found out first-hand about the opportunities for even the cheapest horses. He owned the favourite for Victoria's premier sprint, the Newmarket, but his runner, Sportscast, could finish only second to one of the rank outsiders, Dor Kon.

Dor Kon's sire had earlier been banished to the outback to sire stock horses. Dor Kon was to have been sent to Hongkong untraced, yet a battling trainer, who rarely had city runners let alone winners, liked the look of the unfashionable gelding and paid the princely sum of \$A250 for him.

It is results like that which lead many to the conclusion that Australian racing provides value for money. Australians may do things in strange ways compared to Europe, but they do them well.

Mark Harding

British Airways recommends you fly with someone else.



If you're flying to Australia, no doubt you'll be enjoying the world class service of British Airways. But when you get there, British Airways recommend the world class service of Ansett Airlines of Australia. British Airways are Ansett's agents in England. But they know that only Ansett offers you world-class food, wine and service within Australia. And that only Ansett have an all Boeing jet fleet. And that Ansett covers the whole of Australia with a comprehensive network. And that, even if you don't fly, Ansett can provide a coach, and book all your accommodation, sometimes in their own hotels. So wherever you're going in Australia there's only one way to fly. Contact your travel agent or phone British Airways. Ansett Airlines of Australia.

Vertical sidebar containing various financial and market-related advertisements and notices, including 'Investment and Finance', 'Editor Tony Hilton', and 'EXCHANGES'.

Investment and Finance

City Editor Anthony Hilton

THE TIMES

City Office 200 Gray's Inn Road London WC1X 8EZ Telephone 01-837 1234

STOCK EXCHANGES

FT Index 698.2 up 2.9 FT Giltts 91.66 up 0.22 FT All Share 439.42 down 1.53

CURRENCIES

LONDON Sterling \$1.5065 down 40pts Index 83.7 down 0.2 DM 3.90 down 0.125

INTEREST RATES

Domestic rates Bank base rates 9 Finance houses base rate 10

GOLD

London fixed (per ounce) am \$400.50 pm \$399 close \$398.25-399 (\$264-264.50)

ANNUAL MEETINGS

Waring & Gillow (Holdings), Hallam Tower Hotel, Sheffield (noon)

TODAY

Intarim: Ash & Lacy, R Cartwright Holdings, Cass Group, First Castle Electronics, Fogarty, Greenbank, Industrial Holdings, Helene of London, London Sumatra Plantations, Steel Brothers Holdings, Spirax-Sarco Engineering, United Parcels, J O Walker and Co

NOTEBOOK

Ward White Group, the retail footwear and manufacturing group, yesterday announced details of a £10.7m rights issue.

Pretax profits at Waterford Glass, the Irish glass and chinaware company, rose by 15 per cent to IRE3.8m in the six months to June 30.

FMC, Britain's largest slaughterhouse group which is still considering a management buy-out offer, has sold its Northern Ireland meat plant to the Anglo Irish Meat Company for £430,000 cash.

State spending and borrowing still racing ahead Money growth on target as M3 falls for first time in four years

By Frances Williams, Economics Correspondent

The Government's main measure of money supply, sterling M3, fell last month for the first time in more than four years to bring monetary growth back on target.

MONEY GROWTH

Table with columns: M3, M2, PSL2, % annual rate, Feb-Sept 83, Feb-April 84

The Bank of England said yesterday that sterling M3 fell by a provisional 0.5 per cent in the five weeks to mid-September. This was the first drop since March 1979.

Source: Bank of England

although they remain above target.

The authorities have made it clear that last week's 0.5 per cent cut in interest rates, which

came after the Bank had received early intimation that the money supply figures would be good, would be the last for some while.

They are anxious to keep monetary growth within the target range over the coming months, at a time when borrowing from the banks is likely to remain buoyant and the Government must sell a lot of gilts just to replace maturing debt.

According to the London clearing banks, however, lending was modest last month, with almost all of it accounted for by

CENTRAL GOVERNMENT BORROWING REQUIREMENT

Table with columns: Monthly total £m, Cumulative total £m, 1982-83, 1983-84

Source: Treasury

The only bright spots in an otherwise bleak outlook for the North-east were the chemical, car components and building materials sectors.

Any rise in regional support should go to the West Midlands which was suffering more than elsewhere from recession.

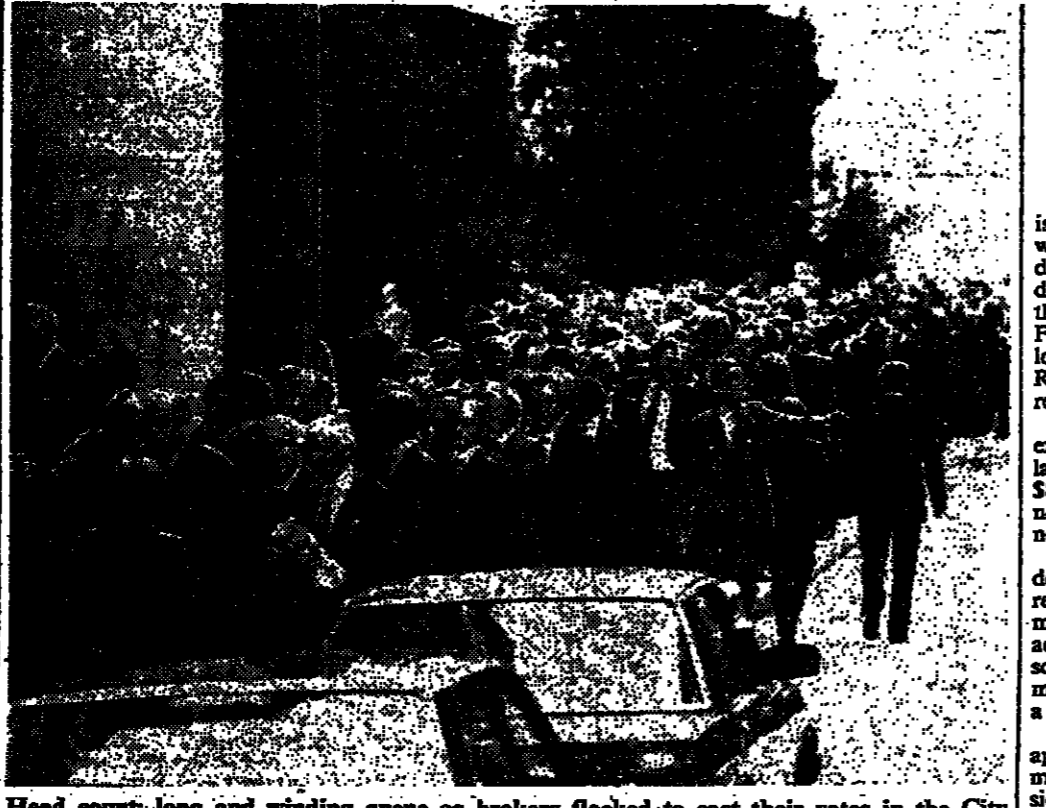
CBI chief still pessimistic on recovery

By Edward Townsend, Industrial Correspondent

Sir Terence Beckett, director general of the Confederation of British Industry, yesterday warned the Government on the first day of the Conservative Party conference that the recession showed no signs of ending.

He said after meeting CBI leaders at Gateshead, Tyne and Wear that industrial recovery in the North-east was at a standstill and prospects were flat.

Kicking ministerial criticism once again Sir Terence said that overall growth "is going to be very slow".



Head count: long and winding queue as brokers flocked to cast their votes in the City yesterday (Photograph: John Voos).

Brokers applaud 'open door' deal

By Wayne Linnott

Stockbrokers yesterday voted overwhelmingly in favour of the deal worked out by the Stock Exchange Council, and the Government to avoid an appearance before the Restrictive Practices Court by the Exchange.

The members were voting on the introduction of lay members to the council and appeals committee and the abolition of fixed commissions.

He said the Stock Exchange had been in "an intolerable position" with the restrictive practices case.

Hongkong plans to rescue Grand Marine

By Our Financial Staff

A rescue bid was launched yesterday for Grand Marine Holdings, a shipping subsidiary of the stricken Carrion Holdings, the financial and property group.

NCB offshoot leads Israel oil search

By Jonathan Davis, Financial Correspondent

A British company jointly owned by the National Coal Board and English Chinas Clay has been helping Israel in its search for offshore oil, it was confirmed yesterday.

The company, Horizon Exploration, has completed a geological survey of offshore waters in the eastern Mediterranean for the Israel National Oil Corporation.

US 'in line to meet IMF deadline'

From Bailey Morris, Washington

The Reagan Administration is increasingly confident that it will meet the November 30 deadline for approval of the delayed US quota increase for the International Monetary Fund, despite continuing deadlock in Congress.

Mr Reagan indicated that with a little more arm-twisting he expected the legislation to be stripped of some crippling, politically-motivated amendments which are unacceptable to both the administration and the IMF and have, therefore, prevented a final vote.

Mr Reagan said he now expects Congress to pass legislation authorizing America's \$8.4 billion share of the badly-needed quota increase by early next month.

Both houses of Congress have passed legislation approving the increased funds but the Bills differ considerably and leaders of both parties have been unable to resolve their differences in conference.

Stocks hit by oil crisis fear

WALL STREET

New York (AP-Dow Jones) - Wall Street stocks, depressed by the prospect of a Middle East oil crisis, were broadly lower in heavy early trading yesterday.

All clear for laundry bid battle

By Philip Robinson

Mr Cecil Parkinson, Secretary for Trade and Industry, yesterday ended one takeover battle for control of a laundry group and opened another.

LAUNDRY INDUSTRY TAKEOVERS

Table with columns: Predator, Target, Value, Result

merger would have been referred for investigation. Indications that this would be the case filtered through from the Office of Fair Trading to Sunlight early last month.

STEETLEY

CONSTRUCTION MATERIALS, MINERALS AND REFRACTORIES

Interim report for six months ended 30th June 1983

Pretax profits increased by 60% Earnings per share up 80%

Table with columns: Half-year to 30th June, Half-year to 30th June, Year to 31st December

The profit before taxation for the first half of 1983 was 60 per cent higher than for the same period last year. Earnings per share increased by 80 per cent and exceeded those for the whole of last year.

Steetley plc, P.O. Box 6, Getford Hill, Workshop, Notts. S81 8AF

Brewery takeover hits snag of special clause

Peculiar quarrel at Theakston's

By Derek Pain

A peculiar takeover brew was fermenting yesterday at the Yorkshire brewery of T. and R. Theakston, the 150-year-old business, famed for its Old Peculiar strong beer.

But Mr Abrahams, it seems, was not to the taste of Mr Paul Theakston, the company chairman and a member of the founding family.

most family controlled companies seek to avoid. There were suggestions that at least two other breweries had expressed interest in the company, which has a brewery at Masham, another at Carlisle, and 10 pubs.

The Brown deal is conditional on the problems created by these provisions being surmounted. Yesterday, it was by no means certain that these difficulties would be resolved.

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APPOINTMENTS

New posts at Ernst & Whinney

Ernst & Whinney: Mr Bill Mackey has been made a managing partner of the United Kingdom operations. Mr Elwyn Ellidge, Mr Eric Crocock and Mr David Burgoyne have been made managing partners in London, Hull and Exeter respectively.

Bailey Morris explains why advice on raising taxes impressed the president

Reagan's lesson on public spending from a strong ally

It is too soon to tell whether the Prime Minister, Mrs Thatcher, taught President Reagan an important economic lesson during her visit to Washington but there are nonetheless indications that her stern warnings on the size of the America deficit made an impact.

Mrs Thatcher told the President in clear and simple terms, that based on her own experience in Britain she is convinced that he ought to take the unpopular step of raising taxes as soon as possible.

Mrs Thatcher's remarks gave strong support to administration critics who regard the burgeoning federal deficit as an imminent threat to the recovery.

The Prime Minister's comments also bolstered the efforts of Republicans and Democrats in Congress who are trying to force President Reagan to agree to a Domestic Economic Summit conference to resolve the deficit problem before next year's elections.

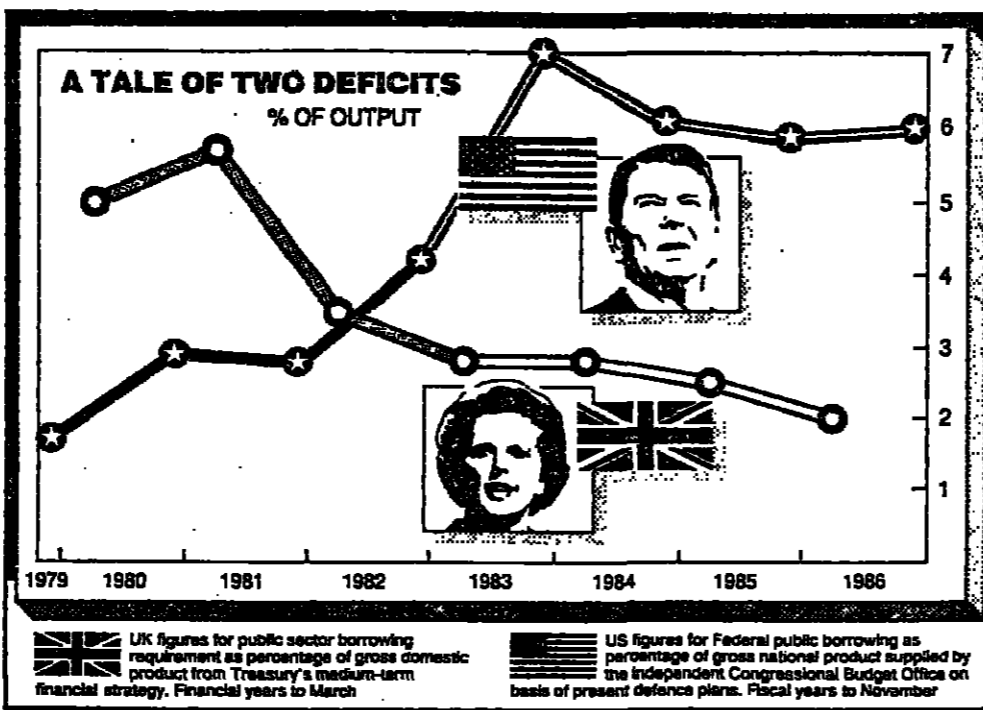
"When I was not able to get public spending down, I took the view that if we are going to spend that kind of money, we must cover it honestly by taxation so that people know if they demand more and more expenditure, they must pay for it," Mrs Thatcher said.

Coming from anyone else, this advice would most certainly have been ignored by Mr Reagan who has stated strongly his intention to disregard the recommendations of some of his closest advisers and avoid tax increase at all costs.

Just two days before Mrs Thatcher arrived, the President told finance ministers and central bankers attending the IMF's annual meeting, that he refused to compromise on either his supply-side economic programme or his arms build-up.

"He will not risk sabotaging our economic expansion in a short-sighted attempt to reduce deficits by raising taxes. Tax increases would actually reduce growth by discouraging savings, investment and consumption," Mr Reagan said.

But last week the Administration softened its position for the first time publicly when Mr Donald Regan, the US Treasury Secretary, said tax increases should be considered if Congress is unable to reduce public spending further.



view that big budget deficits are not the cause of high interest rates and that both will gradually disappear once the recovery moves into high gear.

his influential audiences in recent weeks that the Treasury has completed a comprehensive study which showed clearly that there was no historical relation between big budget deficits and high interest rates.

also gave warning that the \$200bn plus American deficit threatened Britain's nascent recovery by keeping interest rates "at higher levels than they should be".

Thatcher said that the \$200bn US deficit threatened Britain's recovery

But the Administration's official line, as stated in addresses across the country by Mr Regan, the president's handpicked spokesman on economic matters, has remained unchanged despite alarming contradictory statements by Mr Martin Feldstein, the chief economic adviser.

From anyone else the advice would have been ignored by Reagan

Mr Feldstein said his most recent estimates indicated that the outstanding volume of public debt will more than double between now and 1988.

From anyone else the advice would have been ignored by Reagan

Mr Feldstein said his most recent estimates indicated that the outstanding volume of public debt will more than double between now and 1988.

Mrs Thatcher told the President and cabinet officials that she learnt an important lesson about taxes during her first big budget battle when she was unable to reduce the rate of public spending sufficiently and also wanted to cut direct tax rates sharply.

To do this, the Prime Minister said she had to take the politically unpopular step of raising the indirect tax rate by pushing through sharp increases in value-added tax to 15 per cent.

As a result of this offsetting action and other tough stands on taxes taken in 1981, public borrowing as a share of gross domestic product dropped sharply from an estimated 5 per cent in 1980 to 3 per cent in 1981-82 and 2.75 per cent in 1982-83.

Conversely, American public borrowing as a share of gross national product stood at a high level of almost 6 per cent in 1983, fact that has raised the spectre of a debilitating interest rate crunch when private demand for credit grows as the recovery picks up.

These fears have increased in recent weeks, resulting in appeals from both Democrats and Republicans for the deficit to be reduced through moderate tax increases.

But President Reagan has so far rejected these appeals, saying that the Administration will not put forward tax legislation of its own despite earlier statements that it would attempt to raise new revenues with a 5 per cent tax surcharge and an oil tax in 1986.

Leaders in both houses of congress have said they will move legislation to raise \$75bn in new taxes over a three-year period, as called for in the 1982 budget resolution, unless it is passed.

But the existing deadlock has kept interest rates high as financial markets digest the news that inaction will result in deficits estimated at \$196bn in 1984 fiscal year \$205bn in 1985, and \$214bn by 1986.

At this point, it is unlikely that any tax legislation will be moved until after the presidential elections, given the political constraints and the President's resistance. The only thing that could move the process forward is a groundswell of support for the domestic summit resolution, which has been sponsored by almost 100 members of the House of Representatives and is expected to vote soon.

If - as expected - it is passed roundly, the Senate would probably pass a similar measure calling for action on the deficit within 45 days and the President, prodded by Mrs Thatcher's remarks, would be under great pressure to comply.

Reining in on the cowboys

Ask Sir Gordon Borrie, Director-General of Fair Trading, which industry produces the most complaints and his response will be instant - the home improvements business.

The home improvement market has rocketed in the last decade. Even official statistics say it has grown by over 25 per cent and that takes no account of "builders" who work for cash to beat the taxman. It is this "cowboy" end of the trade which swells Borrie's postbag.

Thirty years ago, households outnumbered dwellings by almost a million. Today, they are more or less in balance, but more than 4 million homes are estimated to be in serious disrepair. The accent has thus switched from the building programmes of the 1960s towards maintaining and improving the present stock. What many households spent 20 years ago in buying new homes they may now spend in improving an older home. Building societies lend liberally for home improvements and local authorities offer generous grants.

The sums involved are large in relation to the budget of an ordinary household. Saving 15 per cent VAT on, say, a £3,000 roofline job, plus perhaps a 10 per cent for cash and the fact that your builder is avoiding a statutory liability, looks luscious. But there is no normal comeback for the stranded homeowner.

Sir Gordon himself has published his recommendations for tackling the problem in his Report on Home Improvements. The construction industry is encouraged to offer warranty schemes to protect its customers. Yet ironically the biggest hurdle the industry has faced in producing a genuine and effective scheme has been the fair trading law itself: How does a warranty scheme applied with teeth avoid being a restricted trade practice?

Commonsense is at last prevailing on that point and the industry is developing more effective warranty schemes. But the ultimate test will be in their take-up by households and sources of household finance could prove crucial.

Many local authorities and financial institutions welcome warranty schemes for their home improvement loan and grant applicants. Sir Gordon goes one further and recommends that the banks and building societies should consider tying their loans to warranty-backed works. He makes similar suggestions for local authority grants. And he would reinforce this demand-side constraint with a statutory "duty to trade fairly".

How seriously will the Government and the financial institutions take Sir Gordon's recommendations? The crude over-riding of the OFT in the Stock Exchange case raises doubts as to how kindly this free enterprise Conservative administration takes to applying the strict logic of a fair-trading watchdog.

Will the OFT's home improvement recommendations receive equally short shrift as Conservative ministers secretly delight in the buccaneer spirit of the small cash-trading one-man-band builder? Or will the chickens of the home improvement jungle come home to roost, in the form of more constituents' complaints, and send ministers scurrying to loan on the financial institutions and local authorities to tighten the tests they apply for loans.

An excellent working example already exists in the new homes market where the NHBC quality certificate is the essential passport to a building society mortgage.

What the NHBC has done in the past 20 years for the quality and image of new housebuilding, the construction industry now hopes to do for the home improvement market with its more effective warranty schemes. But NHBC would not have done so without being tied closely to the sources of finance. The same will apply to home improvement.

Jamie Stevenson
The author is an economist in the construction industry

Financial market data table with columns for Bid Offer Yield, including sections for Authorized Unit Trusts, Authorized Units & Insurance Funds, and various bond and share listings.

MARKET REPORT by Michael Clark

Float-off at Debenhams

ACCOUNT DAYS: Dealings begin, Oct 3. Dealings end, Oct 14. Closing Day, Oct 17. Settlement Day, Oct 24.

Debenhams, the departmental stores including famous names like Harvey Nichols, Loth shoes and Welbeck Finance, took the City by surprise yesterday by announcing plans to float off various parts of the group on the stock market.

Mr Robert Thornton, chairman of Debenhams, made his views known at a meeting of the Society of Investment Analysts. The shares greeted the news with a jump of 5p to 140p, after hitting 142p.

According to analysts attending the meeting, the rationale behind the move is to realize the group's valuable assets, more accurately, while spreading the risk against an unwanted bid approach.

Shares of Unigate rose 6p to 107p after news of a lunch between the company and brokers Scrimgeour Kemp Gee yesterday.

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of each if could prove a big money spinner. Mr Thornton was unavailable for comment last night but is known to have visited the City several times recently and maintained firmly entrenched on the sidelines still unwilling to commit themselves.

Chips closed up to 50p lower, despite the better than expected banking figures. These showed a fall of 3 per cent in M3 reducing the growth rate to 9.6 per cent - well inside the Government's present target.

At the last count US investors held about 7 per cent of the shares. But so far analysts are sticking to their original forecast of pretax profits of £400m for the year.

The Americans are also taking a healthy interest in Mr Roy Cole and the rest of his fellow directors at Telemetric will be more than pleased with this week's reception given to the shares of this high-tech group.

Yesterday the price improved 3p to 220p compared with the price of 185p and might reveal a further turn of speed later today when the group unveils its new advanced graphic display unit.

Shares of Dunlop fell from grace last month after the group announced plans to sell its European tyre division for £112m to reduce borrowing. Gaxco clipped another 5p to 740p after disappointing figures on Monday. The shares have lost 5p in two days.

Shares of London Brick slipped 2p to 96p as hopes of a bid from Hanson Trust continued to fade. Last week Tarmac sold its remaining holding of 3 million shares in London Brick (2 1/2 per cent of the total) to an unnamed buyer.

Former stockbroker Mr Jeremy Peace, has paid 52p a share for 690,000 shares in Meridian Securities, the brewer and wine and spirit merchant, quoted on the Unlisted Securities Market. Mr Peace bought his shares from Mr Robert Moore, director of Meridian, and now owns 53.6 per cent of the company.

Under Stock Exchange rules he must now make a similar offer for the rest. News of the deal sent the shares shooting up almost double to 80p. Any acceptance to the offer will be placed through the market to help maintain the group's quote.

Blue chips again featured ICI with a 4p rise to a new high of 576p, after 580p. The company's excitement over its breakthrough in the fibre field with its new product Tectel has again attracted renewed US support.

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THE TIMES 1000 1982/1983 The World's Top Companies

RECENT ISSUES table with columns for issue name, date, and price.

BRITISH FUNDS table with columns for fund name, price, and yield.

COMMONWEALTH AND FOREIGN table with columns for country/stock, price, and yield.

LOCAL AUTHORITIES table with columns for authority name, price, and yield.

DOLLAR STOCKS table with columns for stock name, price, and yield.

BANKS AND DISCOUNTS table with columns for bank name, price, and yield.

BREWERIES AND DISTILLERIES table with columns for company name, price, and yield.

COMMERCIAL AND INDUSTRIAL table with columns for company name, price, and yield.

Table of company shares with columns for company name, price, and yield.

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Sterling: Spot and Forward table with columns for currency, rate, and term.

Money Market Rates table with columns for instrument, rate, and term.

Other Markets table with columns for market, rate, and term.

Dollar Spot Rates table with columns for country, rate, and term.

Euro-S Deposits table with columns for country, rate, and term.

Gold table with columns for price, unit, and date.

FINANCIAL TRUSTS table with columns for trust name, price, and yield.

INSURANCE table with columns for company name, price, and yield.

INVESTMENT TRUSTS table with columns for trust name, price, and yield.

PLANTATIONS table with columns for company name, price, and yield.

MISCELLANEOUS table with columns for company name, price, and yield.

UNLISTED SECURITIES table with columns for company name, price, and yield.

Vertical advertisement for 'Chips' and 'Walsh' products, including 'Walsh's' and 'Land nee'.

Property Buyers' Guide

Overseas Property

SPANISH PROPERTY INVESTMENT THE HOWSON SAVE AND MAKE MONEY PLAN

SWITZERLAND FOR SALE: Attractive medieval village at the entrance to the Rhone Valley.

CYPRUS Newly built 3 bed, 2 bath house in charming village, near sea & Limesol.

MAJORCA Beautiful villa of top quality construction, overlooking the bay of PALMA.

MAJORCA Es Puchet 5 mins from Palma. Fully furnished apartment 2 bed bedrooms.

SOUTHERN SPAIN ESTEPONA (2 miles) Charming Beach Villa on beautiful bay.

Malta, Bugibba St Pauls Bay 8 bedrooms, lounge, dining room, bathroom, and separate shower room.

NO TAXES FOR FOREIGN RESIDENTS In Campione d'Italia on Swiss Territory

IRELAND GREYSTONES County Wicklow Freshly built 4 bed house, 2 bath.

FLORIDA - Gulf Coast on glorious tropical island, just 100 miles from high rise luxury apartment.

COSTA BLANCA, Sempiterna, villa, apartments, fantastic views, terrace, swimming pool, tennis court.

MANANNAN TOWNHOUSE, East 41st Street, New York City. 2 bed, 2 bath, full kitchen.

DIRECT FROM GIBBS COAST, Costa Blanca. 3 bed, 2 bath, full kitchen.

ALBAIRRE, Victoria apartment 4 bed, 2 bath, full kitchen.

Property North of the Thames A new dimension to living in London

RUTLAND GATE LONDON SW7 A selection of modern luxury apartments has been created behind the elegant facade of this Regency Terrace.

Daniel Smith CADOGAN SQUARE SW1. Superb flat, floor flat, appointed to a high standard.

William Willett 14 and 22 LOWER SLOANE STREET SLOANE SQUARE, SW1

LONDON WEST END Opportunity to acquire a fine 2nd floor flat in a charming fully restored Edwardian block.

Discreet Opulence in Distinguished Parsons Green Superb refurbishment of Edwardian family house.

Communal Gardens W.11. Elgin Crescent Large modernised Victorian family house on 5 floors.

Highlands Heath PUTNEY HEATH, SW15 Set in 6 acres of landscaped grounds overlooking and with direct access to Putney Heath and Wimbledon Common.

Property North of the Thames KING ST, HAMMERSMITH Choice of 6 modernised flats now ready for occupation.

HYDE PARK Magnificent flat in block SEVENTH FLOOR WITH BALCONY

WORCESTER PARK 12 miles Central London, magnificent, modern detached house, 5 double beds.

Extremely cleverly converted immaculate Victorian family house

BLACKHEATH PARK Superb detached house in quiet attractive square on private estate.

5 MINS SOUTH OF TOWER BRIDGE Close West End City, elegant 17th Century family house.

FINCHLEY ROAD 2 bedroom, 3rd floor flat in 4 storey brick building.

MAYFAIR Beautiful Park Street flat 3 double beds, very large roof.

ENFIELD 10 miles north of the City. Stunning modern house.

ST JOHN'S WOOD NW8 Unusual detached C.P. flat, sole use, excellent location.

LUXURY PENTHOUSE FLAT Upper Mayfield, PVB block 2nd floor, 2 double beds, 1 bathroom.

SUNNY PENTHOUSE FLAT SOUTH KENSINGTON Newly decorated, in prestigious buildings.

BARNES Victorian terraced house close to river, air conditioning.

PARSONS GREEN Superb newly built, five-bedroomed, re-planned, re-wired re-decorated.

ISLINGTON Unusually pretty designers 2 storey detached fronted house.

W12 BUT NICE! Unique terrace built over 200 years, 17th Century.

IFIELD ROAD, SW10 Quick sale on bright, modern 1st floor flat, 2 beds, gas, CH, 91 year lease.

FULHAM SW6 Off New Kings Road, 3 bedrooms/study, 2 baths, lg sitting room/dining, kitchen & small rear garden.

PERIOD PIED A TERRER (with office) DEPTFORD Listed Grade II, 1 bedroom, 1 bathroom, 1 living room.

BECKENHAM BOARDWALK Spacious Victorian semi detached house, well renovated.

WIMBLEDON PARK Very bright & spacious 2 & 3 bedrooms, 2 bathrooms.

PRIVATE CASH BUYER urgently seeks quality medium sized detached house or bungalow.

ISLINGTON N.1. Very pretty Christie's cast concrete terraced house in good decorative order.

W2 BUT NICE! Unique terrace built over 200 years, 17th Century.

London N10 select residential area

FULHAM Close Hurlingham Club. Large detached house, 4 large, 6 bed, 2 bath, 2 sep WCs, kitchen, garden.

DULWICH COLLEGE, DOWNS, SE21. Security approved, free family home adjacent to Dulwich Art Gallery.

DOVERCOURT ROAD, DULWICH Well maintained house, quiet Rd., 4 beds, 2 recep, kitchen, bathroom.

DULWICH VILLAGE Superior flat in restored Vic House, excellent location.

WIMBLEDON HILL 1st fl. mod P.B. flat, 3 beds, 2 bath, mod kitchen, gas C.H., 1 dining rm, gas C.H., view etc.

PROPERTY SOUTH OF THE THAMES HERNE HILL EDWARDIAN HOUSE. 3 bedrooms, 2 bathrooms, full kitchen.

WIMBLEDON HILL 1st fl. mod P.B. flat, 3 beds, 2 bath, mod kitchen, gas C.H., 1 dining rm, gas C.H., view etc.

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DULWICH COLLEGE, DOWNS, SE21. Security approved, free family home adjacent to Dulwich Art Gallery.

DOVERCOURT ROAD, DULWICH Well maintained house, quiet Rd., 4 beds, 2 recep, kitchen, bathroom.

DULWICH VILLAGE Superior flat in restored Vic House, excellent location.

WIMBLEDON HILL 1st fl. mod P.B. flat, 3 beds, 2 bath, mod kitchen, gas C.H., 1 dining rm, gas C.H., view etc.

PROPERTY SOUTH OF THE THAMES HERNE HILL EDWARDIAN HOUSE. 3 bedrooms, 2 bathrooms, full kitchen.

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Israelis greet austerity with panic buying spree



Supermarket Bonanza: Jerusalem shoppers cash in before the price rises and in Tel Aviv a mule tops up his master's tanks (Photograph, Orde Eliason)

From Christopher Walker Jerusalem

Israel's bubble of superficial prosperity burst painfully yesterday when the new right-wing government of Mr Yitzhak Shamir enforced a 23 per cent devaluation and a sweeping package of austerity measures in an effort to halt the rapid economic decline.

The agreement on the draconian moves followed a stormy all-night cabinet session which began immediately after ministers had

struck a formal toast to the new administration, sworn in on Monday with a 60-33 majority.

The urgent need to solve an economic crisis regarded as the most serious in Israel's history has presented the 68-year old Mr Shamir with a supreme test of his skills as a coalition manager. It has also threatened a clash with the trade unions, which are opposed to government attempts to weaken the link between wage rises and the inflation rate: a nationwide two-hour warning

strike has been called for tomorrow. Within an hour of the measures being broadcast over Israel Radio, supermarkets were besieged in a wave of panic buying designed to beat the 50 per cent cut in subsidies on all basic commodities at midnight. Long queues of motorists formed at petrol stations, trying to purchase dwindling supplies before a 23 per cent price rise.

Many Israelis took the day off work to take part in the buying

spree with ruthless single-mindedness more usually associated with operations of the Israeli Army. Goods arriving at shops in Jerusalem, were seized long before they could replenish empty food counters.

Mrs Shoshana Sagay, the young wife of an electricity corporation worker explained: "Everybody is going mad to buy now because they know that tomorrow everything will have gone up, not just the basic things that are subsidized. People here

realize that we are now facing a real change in our way of life".

Mr Arivi, a Tel Aviv paper which in the past was often sympathetic to the outgoing administration of Mr Menachem Begin commented sourly: "Today is the day when the illusions of the Israeli economy are being shattered. The gloomy economic reality is having its day of revenge. Today we are all asked to pay the heavy price for frivolousness, for living only for the moment."

Shami's package, page 6

Study aims to stop jail riots

By Peter Evans, Home Affairs Correspondent

The idea of modified control units, which were phased out in 1975 after fierce controversy over allegations of a dehumanizing effect on prisoners, is favoured by some prison chiefs.

The original regulations on control units said that there should be a "first stage" of a 180-day regime with separation from other prisoners, then a second stage of "associated regime" in which there would be a period of "activity" with other prisoners in the unit work, education and leisure time.

Tension created by groups of men in Wormwood Scrubs before a disturbance in 1979 will lead the committee to

Police killers 'will serve at least 20 years'

Continued from page 1

to deal with violent crime will, I believe, demonstrate conclusively that under this Government those who prey on their fellow citizens do so at their peril."

Mr Brittan then turned to the need to deal with overcrowding of the prisons. In a move that could cut the prison population by 2,500 by the end of next year, he said that the minimum qualifying period for parole is to be reduced from one year to six months.

Ways are also to be examined of getting fine defaulters, drunks, and mentally disordered prisoners out of the

Miss Keays and Bermondsey

Continued from page 1

opening day of the party conference. But he was disappointed. "A self-confessed adulterer and a damned fool" by Ivor Stanbrook, Conservative MP for Orpington, who said he should have insisted on resigning.

Mr Stanbrook said he was provoked by "the evident determination of the party establishment to pretend that nothing is wrong". He did not agree with the Prime Minister's assessment of Mr Parkinson's conduct as "sober, thoughtful, responsible and balanced" - in other words a travesty of a Tory law and order debate.

Nonetheless, he thought it prudent to denounce crime utterly. He spoke in a strong voice. For he knew that, at a Conservative conference, a frontbencher can get away with virtually anything, including weakness. If he speaks strongly.

Words like "child molest-

Frank Johnson at Blackpool

A sinner repents his double life

The Conservatives, on their first day of their conference yesterday, made it clear that they were not prepared to forgive the sinner that repented.

There was no widespread demand for a resignation. Mr Leon Brittan had got wavy with it.

Mr Brittan the Home Secretary, had arrived in Blackpool to make the most difficult public appearance of his career. He had to reply to a debate on law and order amid seemingly uncontrollable gossip and innuendo that for years he had been living an amazing double life as a Thatcherite and wet.

Until the June election he had held the post of Chief Secretary to the Treasury, a job where, according to his critics he could easily hide his witness the closure of an old folk's home or curbing the rate of increase in the sum going to the Royal Opera House, Covent Garden.

But when he became Home Secretary after the election, it proved impossible for him to prevent the truth coming out. He had to deal with criminals; his apparent lack of any impact on their activities proved in the eyes of the party that he was a wet.

Desperately, he tried to live what they would regard as a normal life. In the Commons vote on capital punishment in July, he was for hanging - but only for terrorists.

The adverse criticism of him in the press continued unabated throughout the summer and autumn.

The Prime Minister made it clear that Mr Brittan's difficulties with the party over the law and order were a purely private matter.

And so to yesterday's debate, whereupon moderation reared its head, aided perhaps by the party's hardened conference managers.

When the time came for him to rise, Mr Brittan was able to say the debate had been "sober, thoughtful, responsible and balanced" - in other words a travesty of a Tory law and order debate.

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The Times Crossword Puzzle No 16,258

A crossword puzzle grid with numbers in the squares. The grid is partially filled with letters. The puzzle is titled "The Times Crossword Puzzle No 16,258".

A collection of small articles and notices. It includes "Today's events" with a list of royal engagements and exhibitions. It also features "New books - hardback" with a list of titles and authors. There are sections for "Weather forecast", "National Day", "Roads", "Anniversaries", "The pound", "The papers", "Lighting-up time", "Yesterday", "London", and "Highest and lowest".

THE TIMES INFORMATION SERVICE

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Weather forecast

A weather forecast section. It includes a map of the United Kingdom and surrounding areas, showing weather patterns and forecasts. The text provides details on temperature, wind, and precipitation for various regions.

National Day

A section about National Day. It discusses the significance of the day and provides information about the events and activities planned for the occasion. It mentions the date as October 12th and describes the historical context.

High times

A table titled "High times" showing high tide information for various locations. The table includes columns for location, time, and other relevant details.

Around Britain

A table titled "Around Britain" showing weather and other data for various regions. The table includes columns for region, temperature, and other relevant details.

Top video rentals

A list of top video rentals. It includes titles such as "First Blood", "The Thing", "Spartan (Prison)", and "Star Trek II: The Wrath of Khan". The list provides rental prices and other information for each title.

Lighting-up time

A table titled "Lighting-up time" showing sunset and sunrise times for various locations. The table includes columns for location, sunset time, and sunrise time.

Yesterday

A table titled "Yesterday" showing weather and other data for various regions. The table includes columns for region, temperature, and other relevant details.

London

A table titled "London" showing weather and other data for London. The table includes columns for temperature, wind, and other relevant details.

Highest and lowest

A table titled "Highest and lowest" showing the highest and lowest temperatures for various locations. The table includes columns for location, highest temperature, and lowest temperature.

Abroad

A table titled "Abroad" showing weather and other data for various international locations. The table includes columns for location, temperature, and other relevant details.